University of Alberta

Lost Legacy: An Examination of Canada's International Climate Change Behaviour from 1990 to 2002.

by

Laurie P. Wein

A thesis submitted to the Faculty of Graduate Studies and Research in partial fulfillment of the requirements for the degree of Master of Arts.

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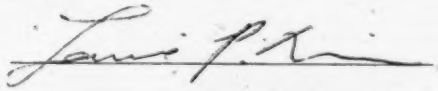

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The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies and Research for acceptance, a thesis entitled "**Lost Legacy: An examination of Canada's International Climate Change Behaviour from 1990 to 2002.**" submitted by **Laurie P. Wein** in partial fulfillment of the requirements for the degree of **Master of Arts**.

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Abstract

In the early 1990s Canada enjoyed a reputation as a strong environment leader in international climate change negotiations. In the more recent negotiations of the 1997 Kyoto Protocol and in the post-Kyoto period however, this reputation has been increasingly called into question. Employing a historical-comparative approach, this thesis examines the factors that account for the progressive to regressive shift of the federal government throughout three periods of international climate negotiations (from 1990 to 2000). Identifying the 1994-1995 period as the point at which this shift began, the study considers the influence of key political actors within the debate and examines the consultative processes that were in place throughout these three periods. It suggests that political leadership (and a consequent lack of such leadership) is a better explanation for this shift than are the consultative processes and the strategies employed by the stakeholders that participated in these processes. It concludes by offering some lessons on the utility of consultative processes.

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List of Abbreviations

AOSIS	Alliance of Small Island States
BCNI	Business Council on National Issues
CAN	Climate Action Network
CAPP	Canadian Association of Petroleum Producers
CCCAC	Climate Change Convention Advisory Committee
CDM	Clean Development Mechanism
CoP	Conference of the Parties
DFAIT	Department of Foreign Affairs and International Trade
EC	European Community
EU	European Union
GHG	Greenhouse Gases
I4C	International Climate Change Consultative Committee
INC	International Negotiating Committee
IPCC	International Panel on Climate Change
JI	Joint Implementation
JUSCANZ	Japan, United States, Canada, Australia, New Zealand
JUSSCANNZ	Japan, United States, Switzerland, Canada, Australia, Netherlands, New Zealand
NAICC	National Air Issues Coordinating Committee
NAPCC	National Action Program on Climate Change
NCCP	National Climate Change Process

NGO	Non-governmental Organization
NRCan	Natural Resources Canada
OPEC	Organization for Petroleum Exporting Countries
PTAC	Provincial-Territorial Advisory Committee
UNCED	United Nations Conference on Environment and Development
UNFCCC	United Nations Framework Convention on Climate Change
VCR	Voluntary Challenge and Registry

Introduction

In Canada, the appearance of climate change as a policy issue in both domestic and foreign policy arenas has resulted from an internationally recognized scientific consensus that the earth's atmosphere is warming. Such consensus has established that increasing concentrations of greenhouse gases (GHGs) in the earth's atmosphere, the result of industrial processes, are largely responsible for global warming. Indeed the scientific body of the United Nations, the International Panel on Climate Change (IPCC), whose role is "to assess the scientific, technical and socio-economic information relevant to understanding the risk of human-induced climate change", maintains that climate change will result in significant impacts across North America and within particular sectors (IPCC, 2001).

Such impacts, while varied and difficult to predict, will have serious ramifications for Canada, necessitating concerted efforts on the part of policymakers to ensure the development and adoption of mitigating and adaptive measures. The Canada Country Study, a national assessment of the potential impacts and variability of climate change, suggests that across Canada a changing climate will have profound impacts on food and fibre production, on human health, on industry and infrastructure and on natural resources (Environment Canada, 1997). While these impacts may be beneficial, adverse or benign, the study identifies some of the more problematic ones including: shortened winter seasons in the far north making access difficult and leading to the potential loss of northern species such as the polar bear, higher insurance costs due to a greater number of extreme weather events such as flooding

and storms, increased stresses on human health infrastructure due to potential transmission of vector-borne and water-borne diseases, increased risk of drought and disease in agricultural and forestry production and increased conflict over water resources. While these constitute only a very abbreviated list of the potential impacts, they suggest that climate change presents unprecedented economic, social and political challenges to Canadian policymakers. It is incumbent upon these policymakers to ensure that they undertake timely and effective climate policy if they wish to meet such challenges and ensure the well being of Canadian citizens.

Climate change may be the quintessential global environmental problem. While it is internationally accepted that industrialized countries are responsible for the majority of current GHG concentrations already present in the atmosphere, in the case of climate change, unlike other environmental problems such a deforestation or endangered species, it is much more difficult to point to a clear polluter. Environmental "polluters", in this case, are numerous: industry, governments, and individuals. The fact that climate change is a transnational, complex environmental problem involving multiple sectors of society and many stakeholders has allowed it to assume the label of a truly "global" environmental problem (Wapner, 1994). As such, policymakers have recognized that efforts to address climate change must occur at the international level.

In the late 1980s, the international community began to acknowledge that efforts to deal with climate change would require a degree of cooperation not seen before in international environmental negotiations. The 1992 United Nations Framework Convention on Climate Change (hereafter referred to as the Convention)

was a substantial landmark in international environmental negotiations. The Kyoto Protocol, an amendment to the Convention, is an even greater achievement in international environmental law. Canada has made major contributions to the climate debate, in terms of the scientific expertise it brings to the IPCC and through its early efforts in advocating binding targets and specific timetables in cutting GHG emissions in the early years of the negotiations. As the first industrialized country to sign the 1992 Convention, Canada assumed a reputation for environmental leadership on the international stage.

Canada has, however, in recent years come under serious criticism from both the European Union and from environmental groups for its current position in the international climate negotiations. Since 1995, the world has seen Canada fall from a position of "green internationalist" to one whose reputation is increasingly called into question. While Canada emerged early in the debate calling for immediate and concerted action to reduce GHG emissions, by the mid-1990's Canada had embraced an approach to the climate change issue that was motivated much more by economic gain and the protection of fossil fuel based industries, than one motivated by environmental protection and reducing GHG emissions. In later rounds of climate negotiations, Canada argued for credits for forest management and agricultural practices that absorb carbon dioxide from the atmosphere (carbon sinks) and for credit for the export of nuclear power, natural gas and hydroelectricity.

Of interest to both policymakers and observers of Canada's efforts in international fora are the factors that account for the shift in the Canadian position in the climate negotiations, from its early support and international leadership in

negotiating the 1992 Convention, to its more recalcitrant position in the 1997 Kyoto Protocol negotiations and its current position in the post-Kyoto era. This study consists of a historical-comparative inquiry of the federal government's position during these three periods of international climate change policy-making. It identifies the 1994-1995 period as the point at which a policy shift to a less progressive position was made by the Canadian government, and demonstrates that since this time Canada's reputation for international environmental leadership has grown increasingly tarnished. Suggesting that there are significant domestic influences that account for the evolution of climate policy in Canada, this study examines both the behaviour of influential governmental actors and interest groups throughout the last decade of climate change debate. It also examines the value of the consultative processes established by the federal government that were to inform the federal position on climate change throughout three negotiating periods of the climate change debate in Canada. To guide the analysis, the following questions were asked:

1) What was the position of the Canadian government on climate change within the following three periods of international climate negotiations:
    a) The 1990-1991 International Negotiating Committee (INC) process that culminated in the 1992 Convention?
    b) The 1997 Kyoto Protocol negotiations?
    c) The later post-Kyoto negotiations (since 1997)?

2) At what point did a shift occur from a progressive position *vis à vis* climate policy to a regressive one?

3) What domestic factors account for both these progressive and regressive positions?
    a) What was the role of political leadership? Which actors played influential roles in formulating these positions?
    b) What consultative processes existed throughout these three periods? Of what value were these processes?

Chapter 1 documents the factors identified within the existing literature that have impeded the formation of a coherent climate change policy in Canada. While many of these factors, such as the tension between federal and provincial governments, have no doubt been responsible for Canada's domestic refusal to implement serious measures to reduce GHG emissions, there remains a lack of analysis on why Canada initially advocated an international agreement on climate change, only to later become increasingly reluctant to take a strong leadership role on addressing the issue. For example, much of the literature on the Canadian behaviour vis-à-vis climate change underlines the tremendous influence of the United States (Toner and Conway, 1996; Macdonald and Smith, 1999; Smith, 2002). Yet, Canada's initial position of strong support for an international agreement on climate change, suggests that the influence of the United States may not be as continuous to the federal government's behaviour as its critics maintain. In reviewing these factors and several others, chapter 1 argues that a focus on domestic processes, a key feature of the institutional approach within the field of political science, may help explain the federal government's shift away from a reputation of strong environmental leadership. Moreover, the chapter argues that there are two key domestic elements that have been underdeveloped within this literature. First is the effect of key political actors within the federal government itself. To this end, this study is concerned with questions of political leadership and highlights the importance of key governmental actors whose actions may have influenced Canada's international reputation for progressive leadership (and lack of leadership) on the climate change file. The second element examined here, one that is absent from the literature, is the

consultative processes that were to inform the federal government's position on climate change during the three periods of international negotiations. To this end, the study seeks to understand of what value these consultative processes have been for formulating an effective international position regarding climate change. In particular, it examines the access various interest groups had to federal government officials through these avenues and whether such processes were effective in influencing the federal government to take a pro-active stance on the climate change file at the international level.

Chapter 2 presents an overview of the Canadian position in the 1990-1991 Intergovernmental Negotiating Committee (INC) process that resulted in the United Nations Framework Convention on Climate Change at the 1992 Earth Summit in Rio de Janeiro. It suggests that strong prime ministerial engagement, a powerful environment minister, a reluctant business lobby and an active environmental lobby were responsible for the high profile and progressive position adopted by the Canadian government on the issue. It also suggests that the consultative process of the time, the quality of this process and the resulting actions of interests groups within this process had little influence on the position of the federal government adopted at this time. Instead, the small number of stakeholders involved, and the relative silence of the business lobby compared to later periods, allowed the federal government to act in a more autonomous manner on the climate change issue than would be possible in later periods.

Chapter 3 traces the domestic inaction in reducing GHG emissions under the leadership of the newly elected Liberal party and outlines the departmental

squabbling within the federal government on how to reduce Canadian GHG emissions domestically. Again, influential individual ministers are given primary emphasis and the actions of various interest groups are explored. The chapter further explores the hardening of the new recalcitrant position in the lead up to the 1997 Kyoto Conference, when Canadian climate policy appeared at its most confused and chaotic state. Highlighted throughout the chapter as important domestic influences are: a lack of prime ministerial engagement, environment ministers that are outmatched by more powerful government departments or that suffer from a lack of credibility and experience, and an engaged business lobby whose access to governmental officials may have been encouraged, albeit indirectly, through the earlier withdrawal of the environmental lobby from domestic consultative processes. In terms of consultative processes, I suggest the federal government's decision to mount an ad hoc and trivial consultative effort to appease an increasingly chaotic debate on the domestic front only succeeded in replacing an imperfect consultative process of an earlier period with an even worse one. I further suggest that it also did little to influence the federal government's position within the international negotiations and instead served merely as a stamp of legitimacy for a decision-making process that was being conducted within the confines of the Prime Minister's Office.

Chapter 4 examines what has occurred in the post-Kyoto period in terms of domestic actors and consultative processes. It chronicles the regressive behavior of the federal government at later international conferences that fine-tuned the Kyoto Protocol and details the changing nature of interest group strategies in this later

period. Some conclusions are made regarding the influence of key political actors and how these have influenced the federal government's position on climate change in international fora. Also provided are some conclusions about the value of the consultative processes of this period. Lastly, the chapter suggests that while Canada may in the near future ratify the Kyoto Protocol, the quality of the consultative processes of the last decade, the changing strategies of the interests groups involved, and the engagement and experience (or lack thereof) of several influential senior politicians has likely had a profound impact on the credibility of the federal government's position *vis à vis* climate change.

Chapter 1: Canada's Climate Behavior - Literature, Approach and Method

1.1 Literature Review

A review of the literature regarding Canadian climate change policy reveals a variety of factors that may be impeding policymakers from making strong commitments in international climate negotiations. It also uncovers several factors that may explain the lack of effective domestic action in reducing GHG emissions. These factors include the Canadian government's commitment to trade liberalization (Stefanick and Wells, 1998; Broadhead, 2001), the geographic proximity to and the economic influence of the United States (Toner and Conway, 1996; Smith 2002; Macdonald and Smith, 1999), federal-provincial relations (Smith, 1998a, 1998b; Macdonald and Smith, 1999), a powerful oil lobby (Russell and Toner, 1999) and the influence of Environment Canada as a government agency (Doern and Conway, 1994; Doern, 2002; Russell and Toner, 1999; Toner and Conway, 1996; and Toner, 1996). There is also a fairly limited literature on the role of science (Russell and Toner, 1999) and the physical nature of climate change (Macdonald, 1998) as additional factors that have influenced the nature of Canadian climate policy. This literature is discussed in more detail throughout this first chapter as I suggest that two important domestic factors are lacking. The first element is an account of the behaviour of key political actors who have influenced the evolution of climate policy in Canada and the behaviour of the interest groups that have lobbied these actors. Specifically, I emphasize the importance of political leadership. The second element is the domestic processes through which interest groups (in this case scientists,

business associations, environmental NGOs and Aboriginal groups) have influenced (or not influenced) the federal government's shifting position within the international climate negotiations. To this end, I ask whether the consultative mechanisms that existed during three periods of international climate negotiations allowed these groups to bring their concerns to bear on the federal government and whether such processes were effective in contributing to a strong international position on climate change. I suggest that the adoption of a historical-comparative approach provides the analytical space to begin an analysis of both the importance of individual actors and of the value of these consultation processes.

1.1a Trade Liberalization

Stefanick and Wells (1998) have suggested that one of the main impediments to strong and coherent environmental leadership from Ottawa has been the Chrétien government's commitment to job creation through trade liberalization. They maintain that such a commitment has subordinated environmental concerns to economic ones. While this claim is an important one, the dominance of trade concerns over environmental priorities is not new, and is evident in both international and domestic arenas. For example, such a prioritization was apparent throughout the seminal 1987 report of the Bruntland Commission on environment and development. In Canada, Bernstein and Cashore (1999), in an examination of the effects of international trade on the Canadian forest sector have identified what they refer to as "liberal environmentalism", where environmental protection is predicated on the

promotion and maintenance of a liberal economic order. The emphasis on trade liberalization within the debate over the climate change negotiations was apparent early in the process. Indeed Canada made no secret of the fact that it would seek opportunities for Canadian business and that the solutions to climate change must not conflict with international competitiveness (Meakin, 1992). At present, the rhetoric continues to affirm that commitments to limit GHG emissions must not disadvantage Canada's economic competitiveness. Broadhead (2001) has extended this critique by arguing that Canadian concerns with economic advantage for commercial interests have undermined the ability of international agreements to effectively engage with the root causes of climate change. She goes as far as characterizing Canada as a "rogue state", a label she feels is deserving for a state that "for the purposes of gaining competitive advantage, actively blocks, stalls, or otherwise subverts an international process designed in the interests of all…[by which the said state] becomes a threat to others by virtue of the destructive environmental consequences that are the result of such intransigence" (Broadhead, 2001:462).

While it is important to recognize the prevalence of trade liberalization and the role it plays in shaping the debate on climate policy both internationally and at home in Canada, it must be stressed that the early efforts of the Mulroney government on the issue were also highly attentive to the notion of free trade. Yet this same government demonstrated clear examples of environmental leadership on climate change and on other international environmental issues such as curtailing acid rain and the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer. The launching of the 1990 Green Plan under the Mulroney government, although ill fated,

was "one of the most ambitious and interventionist policy prescriptions in recent Canadian political history" (Doern, 1991:1). While both the current and the previous federal governments have been committed to trade liberalization, Canada enjoyed a reputation as an environmental leader on the climate change issue under Mulroney's leadership, while it has not managed to do so under the leadership of the current Prime Minister Jean Chrétien. Clearly, the argument that trade liberalization alone explains Canadian climate policy is insufficient for understanding the shifting nature of the federal government's position throughout the last decade of international climate negotiations.

1.1.b The Influence of the United States

Following on the concern with trade liberalization, several authors (Toner and Conway, 1996: MacDonald and Smith, 1999) have suggested that Canada has been hamstrung by the behavior of its largest trading partner, the United States, largely because of geographical proximity and trade dependence. Toner and Conway (1996), in an examination of Canada's environmental foreign policy, have suggested that it is Canada's bilateral relations with the United States that will most strongly influence the shape of its environmental foreign policy for both biophysical reasons and for reasons of economic and trade relations. They maintain that Canada often acts as a 'policy taker' rather than a major influence in shaping the international environmental agenda, suggesting that Canada has little influence over which international environmental issues it chooses to engage with. Instead, these authors claim

> "Many of Canada's international environmental activities are intended to protect Canada's economic and environmental interest from the environmental policies of other larger countries or blocs of countries, such as the United States and the European Union. This reality conflicts with the proactive strategies that many environmentalists, in particular, would like to see Canada pursue" (Toner and Conway, 1996:135-136).

Such critics maintain the position of the Canadian government will necessarily be one premised on the behaviour of our southern neighbour. They argue that the dominance of free trade as a global economic strategy has meant that any decision undertaken by the Canadian government on climate change must be made with an eye to US climate policy. Macdonald and Smith (1999) also draw attention to the geographic proximity of the United States and the influence this country has had on the formulation of Canadian climate policy, but they pay equal homage to the role of the provinces and the pressure they exert on the federal government.

While the influence of the United States cannot be discounted as an influential factor, it is not clear that the United States, which has been one of the least progressive in the international climate negotiations since the very early years, was a key factor in determining Canada's position in the early stages of the climate negotiations. Instead, as Chapter 1 will demonstrate, Canada played an important mediating role in bringing the United States into the negotiations during the 1991-92 INC process. In addition, the United States' early recalcitrant position did not prevent Canada from being a strong advocate of targets and timetables for commitments to stabilize GHG emissions.

Thus, I submit it may be the interplay of domestic factors that is more likely to explain the shifting nature of Canada's position on the climate change issue.

1.1.c Federal-Provincial Intergovernmental Relations

There remain a variety of difficulties in promulgating efforts to mitigate climate change in a federal state, where the national government must negotiate and sign international agreements but whose implementation must then occur at the provincial level. In recent years, increased off-loading of environmental responsibilities by the federal government has left much of the responsibility for environmental protection in the hands of the provinces. Considering that the provinces are responsible for the development of natural resources such as energy and forest resources, it could be argued that this increased responsibility for environmental protection puts the provinces in a conflict of interest. On the one hand, they are charged with developing natural resource industries to create economic opportunities, on the other they must temper the environmental effects of such resource development. Furthermore, in the current context, powerful provinces such as Ontario and Alberta have leaders who appear openly hostile to environmental protection.

Smith (1998a; 1998b) has suggested that it is these federal-provincial relations that are the cause of the federal government's shifting position on climate change. Smith argues that intergovernmental relations between both federal and provincial governments have been key in shaping the substance of climate policy in Canada. In more recent work, Smith (2002) has suggested that in addition to domestic factors like the role of the provinces and industry, additional variables such as the influence of science, the position of the United States and the ideology of globalization must be

considered to understand Canada's international behavior. While my approach is similar to Smith's in its focus on domestic variables, I employ a historical-comparative focus to examine the period of the early INC process and the present post-Kyoto period and will identify the point at which a policy shift to a more regressive position was made.

As Smith has noted regarding her own analysis, "the domestic processes…are much richer and more detailed than is outlined [in her own work]" (Smith, 2002:292). One of the goals of this thesis is to extend Smith's work on the domestic factors that have shaped Canada's international positions on climate change, by attempting to fill in the very void she identifies, the need to understand the domestic processes that have given rise to Canada's climate behaviour. I submit that attention to the actions of interest groups and to the quality of the consultative processes established by the federal government may shed some light on the ability of interest groups to influence the federal government's international position on climate change. I hope that in adopting such a focus I may offer an alternative explanation for the shift in Canada's international position on climate change from a progressive to a regressive one.

1.1d The Oil Lobby

The influential position of the oil industry has also played a key role in defining the Canadian position on climate change. Some suggest that the Canadian government has defined the national interest as synonymous with reducing compliance costs for Canada's oil and gas industry (see Vetvatne and Olmos, 2000).

Indeed, it appears that the federal government is hesitant to pursue regulatory approaches to meeting its Kyoto commitments and is not interested in pursuing any efforts that might penalize the oil industry. When Environment Minister David Anderson suggested, in October of 1999, that Ottawa was considering an energy tax that would increase the cost of gasoline this announcement was met with bitter opposition from both industry associations and the province of Alberta. Alberta Treasurer Stockwell Day claimed that such a tax would "destroy peoples' lifestyles…[and] their futures by taking away their jobs" and branded the federal environment minister as a member of the "Al Gore school of panic environmentalism" (see Eggertson, 1999). Both these groups were quick to unleash vociferous pronouncements that harkened back to the days of the National Energy Program. At present, any talk of a carbon tax has apparently dropped off the political agenda, most likely due to this strong industry opposition and to the current federal government efforts to quell the growing tide of resentment and feelings of alienation in the western provinces.

Runnalls maintains that Canada's position on climate change has been determined only through tremendous battles between Environment Canada and Energy, Mines and Resources (currently Natural Resources Canada) (1993). In an analysis by Vevatne and Olmos (2000) on Canada's position in the CoP 6 meeting in The Hague in November 2000, Runnalls suggests that the Canadian shift from leader to laggard has everything to do with increased pressure from industry which has resulted in few and weak environmental regulations.

Russell and Toner (1999) have identified the opposition of two broad camps within the climate change policy community. One consists of the fossil fuel sector, the government of Alberta and Natural Resources Canada (NRCan) who have aligned themselves in opposition to any regulation of economic activities that seeks to reduce GHG emissions. The other consists of Environment Canada, the scientific community and environmentalists who are pushing for a portfolio of measures that combine both voluntary initiatives and regulatory and economic measures. While the first camp has much support from oil, coal and gas producing interests, the second camp faces some significant challenges from the fiscal restraint efforts of the federal government in the early 1990s.

The influential oil lobby, and the pressure it has exerted on departments such as Natural Resources Canada and Industry Canada, is an important factor in explaining how the federal government has formulated its positions in the international climate negotiations. Such pressures from industry are, however, only one factor among several domestic ones. While I draw on Russell and Toner's work on the broad camps within the climate change policy community in Canada, I suggest that an examination of the evolving nature of this sector's lobbying has been overlooked within the literature. In comparing the strategies of the oil industry in both the early and later years of the negotiations, and how these have changed over the course of the negotiations, I hope to be able to evaluate how effective the consultative processes of these periods have been in influencing the federal government's position on climate change.

1.1e Influence of Environment Canada

One last factor that is of primary importance in understanding the Canadian position on climate change is the changing role of Environment Canada. The influence of the department has been subject to much scrutiny (Doern, 1992, 2002; Doern and Conway 1994; Toner, 1996; Juillet and Toner, 1997). The drive for fiscal restructuring has had a profound influence on the capacity of the department to fulfill its mandate, and the department suffers from a lack of stature vis-à-vis its more influential partners. Indeed as Toner (1996) suggests, reductions in fiscal capacity have occurred concurrently with the internationalization of environmental policy (evident in the growing number of multilateral transboundary agreements) and increased pressure from Europe for the greater use of economic instruments to achieve environmental sustainability. This has had the effect of expanding the mandate of Environment Canada at the very moment that it finds itself in a precarious fiscal position. The department has had its budget cut by 30% from $737 million to $503 million and its personnel reduced from 5700 to 4300 under the 1995 Liberal budget (Harrison, 1996). Such cuts to budgetary resources and staff had a severe impact on the ability of the federal environment department to assess and monitor the effects of climate change. The 2000 budget, however, provided a new infusion of money into Environment Canada. Some $700 million was earmarked to address environmental priorities such as clean air and water, nature conservation and climate change (Environment Canada, 2000a). In terms of climate change, this money is to be directed at encouraging the development of environmental technologies that

reduce GHG emissions, at enhancing climate and atmospheric research, at providing assistance to municipalities to improve energy efficiency, and at investing in international emissions reductions (Environment Canada, 2000b).

In addition, as Toner and Conway (1996) suggest, Environment Canada has never enjoyed a particularly influential role within the federal government, and on the rare occasion that it has, it has encountered strong bureaucratic resistance from other departments. This is especially true in the case of climate change, where a high degree of inter-departmental cooperation is required to address the issues at hand. While Environment Canada along with Natural Resources Canada are the two primary departments in leading Canada's efforts in how to address climate change, there are significant problems of coordination. As Russell and Toner (1999:6) have stated

> "While the two departments are jointly responsible for leading the federal government's actions to implement the NAPCC [National Action Program on Climate Change] including establishing joint federal, provincial and territorial mechanisms, and encouraging Canadians to take action, they have limited authority and capability to ensure that action is taken in other federal entities [and] in other jurisdictions."

It is this limited authority and capacity in other jurisdictions that has proven especially problematic. While Natural Resources has favored a voluntary approach to addressing climate change, Environment Canada's support for regulatory mechanisms has put it in direct opposition to the provinces and to industry. In addition, the Department of Foreign Affairs and International Trade (DFAIT), the department which has led Canada's negotiating team in the international meetings, while claiming to be a "balancing force" between the two departments, has also rejected

more assertive regulatory mechanisms to meet the Kyoto target in favour of the voluntary approach supported by Natural Resources (Smith, 1998a). Doern (1993) has suggested that in the late 1980s and the 1990s while DFAIT sought to redefine its relationship with Environment Canada in relation to global environmental matters, and while substantial progress has been made in how the two departments work together, the problem remains that the two have, ultimately conflicting mandates. The "nexus" remains unstable, since one department is tied to a mandate that holds environmental issues in higher priority than the other (Doern, 1993).

The failure of the federal departments involved in the climate change negotiations to achieve consensus on how to meet Canada's emissions reduction target and the rejection of regulatory mechanisms has left Environment Canada, the only department with a mandate for environmental protection, in a subservient position to federal departments whose concerns are firstly with economic matters. These concerns are of key importance in understanding how the federal government has developed its climate policy.

1.2 Why Focus on Political Leadership and Consultative Processes?

For Stephen Krasner (1978:5), "the fundamental problem for political analysis is to identify the underlying social structure that and the political mechanisms through which particular societal groups determine the government's behavior". Hence, in outlining what he calls a "statist" approach to political analysis, he offers a conception of the state as "a set of roles and institutions, having particular drives,

compulsions, and aims of their own that are separate and distinct from the interests of any particular societal group." Since, the state is composed of individual actors who also have their own motivations and ideologies, the behaviour of the state can also be viewed as the result of the actions of such individuals who occupy particular positions in the central government at any given time (Krasner, 1978:33). Krasner's conceptualization of the state is most useful in the case of climate change because it allows for an explanation of how different individuals within the federal government have influenced the direction of climate policy in Canada. It supports the idea that an attention to political leadership is key to understanding the shifting nature of the federal government's position over the three periods of climate negotiations. The state, as it appears in this study of federal climate policy, is not necessarily an entity acting to uphold the "public good" (if in this case we assume the "public good" to be the reduction of GHG emissions and the reorientation of the economy away from environmentally damaging fossil fuel dependence). Instead, the actors who comprise the state, the Prime Minister and senior Cabinet ministers among others, are subject to pressures from competing interest groups, which try, through direct lobbying of federal officials, to influence the international position of the Canadian government on climate change.

The approach adopted in the analysis here is a historical-institutionalist one. While differing from its ancestral field of organization theory in the tradition of Max Weber, whose theory of political domination stressed the cognitive limits on rationality and the manner in which organizational rules and procedures coordinate the action of independent individuals, historical institutionalism focuses more

squarely on the themes of power and interests (Immergut, 1998:8). Thus, a historical-institutionalist approach emphasizes both how political institutions and the policy process facilitate the participation of various interest groups on a particular issue, in this case, climate change policy. It is ultimately concerned with how the state accords legitimacy to interest groups, or whether it accords legitimacy to some groups and not to others. As Immergut (1998:10) suggests,

> "[P]olitical institutions and government policies, for example, facilitate the organization of interests by recognizing particular interest groups and/or delegating government functions to them…[m]ore fundamentally, government actions may encourage (or discourage) the mobilization of interests by recognizing the legitimacy of particular claims or even by providing these persons with the opportunity to voice their complaint."

The historical-institutionalist approach then provides the analytical space in which we can examine the domestic processes that may be responsible for the shifting nature of the federal government's position on climate change. While the literature review presented here suggests there are several factors that have influenced Canadian climate policy much of it has ignored the domestic processes through which interest groups often try to channel their influence.

One such process that has received increased attention in the broader environmental policy literature is the growing reliance on multi-stakeholder consultation (see Stefanick and Wells, 2000; Stairs, 2000; Rogers and Wilkinson, 2000; Stefanick, 1998; Baetz and Tanguay, 1998 and Howlett, 1990). Involving a diversity of interested stakeholders, these multi-stakeholder consultative processes are touted by their supporters as policy instruments that effectively "democratize" the policy process since they have at their very core a focus on consensual decision-

making. Doering (1993: 368), in a short history of round tables in Canada, maintains "round tables have bridged old rivalries and contributed to a greater understanding of our need to work together if we are ever to cope with the challenges of sustainable development". He claims that since round tables provide opportunities for environmentalists and senior executives to engage in "frank discussion…[that] trust develops and parties move closer to 'truth telling'". Moreover, he raises the possibilities that business leaders participate in round tables because they are "safe ways for business to explore more collaborative approaches", that environmentalists do so because they are treated as "equals" in an "open, inclusive and consensus based" structure, and finally, that governments participate because "consensus-seeking bodies such as round tables can provide governments with advice that has been "washed" through a process that minimizes conflict and surprise."

Yet in hailing the appearance of multi-stakeholder consultation processes as a positive alternative to earlier, traditionally closed structures of governmental policy-making where decisions were made out of the public eye, champions of the multi-stakeholder approach have also been disappointed with the results of these processes. Several critics have suggested that these processes have not resulted in the lofty goals that such processes aspire to. While such processes attempt to be open and inclusive of a broad range of stakeholders, critics like Howlett (1990) suggest

> "[I]n many cases decisions as to the structure of the Round Tables, their composition, and membership were made through a closed nomination and appointment procedure in which only a few individuals, carefully selected by senior officials or responsible ministers, were actually invited to participate. While the qualifications of many of these individuals in terms of expertise may be unimpeachable, the closed method of recruitment and selection does not approximate the model of open interest representation advocated by many critics of the existing policy process."

Stefanick (1998: 99) also cautions "while round tables may be an important first step in developing new policy-making mechanisms, they have some major limitations for the integration and articulation of environmental interests" and she raises concerns about the possibility of such processes being able to overcome "an organizational logic [that still] reflects the traditional structure of the bureaucratic state."

Since the case of climate change involves three separate consultative processes (during the three periods of international negotiations), I felt that an examination of the value and the effectiveness of these processes, in addition to an examination of the role of key political actors, might be useful in determining what has accounted for the shifting nature of the federal government's position on climate change.

While it may appear that the questions of interest in this thesis are similar to Smith's work on federal provincial tensions or Doern's emphasis on the workings of bureaucracies, my emphasis differs from theirs in its focus on two overlooked domestic factors, the role of key political actors and the value of consultative processes that sought to inform the federal government's position on climate change. To this end, this project provides an analysis of the processes through which various interest groups were allowed to access the federal government's position on climate change, and asks whether such groups were able to influence this position.

The time period with which this thesis is concerned spans 3 periods of international climate change negotiations. These periods are, respectively, the 1990-1991 Intergovernmental Negotiating Committee (INC) process which resulted in the 1992 Convention, the period prior to, and including, the signing of the 1997 Kyoto

Protocol, and lastly, the more post-Kyoto period (since 1997). While the focus of the thesis is comparative in nature, and draws on these three periods of climate negotiations, its primary contribution is the attention it draws to the key political actors that have shaped the federal position on climate change, and to the quality and effectiveness of the consultative processes established by the federal government. It suggests that several interest groups have played key roles in the debate and the strategies they have adopted have been important to explain their success, or lack of success in some cases, to influence the federal government. These strategies have resulted from a particular configuration of opposing interests, from the changing quality of consultative mechanisms that have existed to inform the Canadian positions, and from both the presence and absence of key federal government officials who have supported particular interest group positions.

1.3 A Brief Note on Method

Methodologically, this project employs a descriptive-inductive methodology (also known as "contemporary history"), guided by the historical analysis of specific events, people and institutions. As a result, data sources for this project have included academic journals, both federal and provincial government documents, United Nations documents, newspaper analyses, reports from industry, environmental and Aboriginal associations, and informal interviews with policymakers and representatives of interest groups. While the study is comparative in nature, it remains a traditional case study with the limitations associated with such analyses. It

does not lend itself to theory building, nor does it assert that it is a comprehensive overview of the evolving debate on climate change policy in Canada; instead it aims to draw attention to important elements that have been ignored within the literature to date: the nature of the consultative processes and the manner in which interests groups have engaged with these over the course of the climate debate in Canada.

Chapter 2: Canada and the Convention

This chapter outlines the events that led to the negotiations of the 1992 United Nations Framework Convention on Climate Change (hereafter, the Convention), starting with a number of important conferences, including a key one hosted by Canada. Its primary purpose is to illustrate how Canada acted on the climate change file prior to the signing of the 1992 Convention at the Earth Summit. A brief history of the negotiations of the Intergovernmental Negotiating Committee (INC) is sketched, in which Canada's position is examined. Corresponding domestic consultation mechanisms, which were to inform the international position, are also examined, as are the positions of various interest groups. Special consideration is given to key political actors and their role in shaping the federal government's position throughout these early negotiations, while particular emphasis is placed on the political leadership of both the Prime Minister and the Environment Minister of the day.

2.1 Background to the Convention

Climate change first rose to the international agenda in the late 1980's when North America was suffering under an oppressive heat wave in the summer of 1988. As crops withered from several months with little rain, prolonged drought in the western prairies became so severe that the Canadian federal government paid out almost $20 million in farm relief programs. Such conditions helped foster a sense of

urgency about the concerns of the scientific community that the industrial processes of the twentieth century were changing the climate. The drought also coincided with Canada playing host to the first World Conference on the Changing Atmosphere in Toronto, a meeting that was attended by some 300 scientists and policymakers, including a dozen high profile, senior ministers from the federal government. The conference's opening statement began with a wake-up call to the international community, with its ominous, if exaggerated, opening remarks

> "Humanity is conducting an unintended, uncontrolled, globally pervasive experiment whose ultimate consequences could be second only to a global nuclear war" (World Meteorological Organization, 1988: 292).

Attended by senior representatives of more than a dozen federal departments, including the Prime Minister, delegates called for a reduction of greenhouse gas (GHG) emissions in the magnitude of 20% by 2005 (referred hereafter to the "Toronto target"). In addition, appeals for the development of a comprehensive framework to address the problem of climate change and a strengthening of the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer were made. Halucha (1998:288) has suggested that the Toronto conference was more memorable for what it proposed than for what it actually accomplished. He argues, that while the Toronto target seems like wishful thinking to many environmentalists now, the conference was successful in unleashing a torrent of domestic policy research and drew attention to those who advocated considering energy policy within the larger context of climate policy.

By July 1989 at the Paris Economic Summit, leaders of the G7 called for a convention on climate change. Also in 1989, the Noordwijk Declaration on Climate

Change and Atmospheric Pollution saw several industrialized countries agree to stabilize GHG emissions. Canada joined more progressive countries like those of the European Community, Australia and New Zealand, and pressed for short-term measures for limits on CO_2 emissions, setting themselves in opposition to the US, the USSR and Japan, who refused any such binding targets.

It was at the 1990 Bergen Conference in Norway, which was to prepare North America and Europe for the upcoming United Nations Conference on Environment and Development in Rio de Janeiro (dubbed the Rio Summit), that Canada took another major step toward climate action. Canada's Environment Minister, Lucien Bouchard, called for the stabilization of Canada's GHG emissions at 1990 levels.

The Second World Climate Conference in Geneva in November of the same year saw the United Nations General Assembly provide the legal mandate to negotiate a framework convention on climate change and established the INC, which would be the vehicle for the Convention's negotiations. The official negotiations of the INC process spanned six sessions, beginning in February of 1991 and lasting 18 months until May of 1992 and included over 100 countries. Chaired by Jean Ripert of France, a former United Nations high official, the goal was to produce a document ready for signature for the deadline at the Earth Summit conference in Rio de Janeiro in June of 1992.

The negotiations of the INC were informed by the scientific work of the IPCC, which remains to date one of the most massive international scientific review efforts undertaken by the United Nations. In the conservative fashion of their discipline, the 2000 internationally renowned scientists of the IPCC stated that they had arrived at a

scientific consensus that the earth was warming. They suggested, "that the balance of evidence suggests a discernible human influence on global climate" (IPCC, 1995). This scientific consensus provided an impetus to the negotiations that was instrumental in getting many countries to recognize that climate change required concerted efforts to mitigate and adapt to environmental change. It also meant that negotiations were highly politically charged and stumbling blocks were difficult to overcome. Like many of the other issues in Agenda 21 of the 1992 Rio Summit, such as combating poverty, deforestation and conserving biological diversity, the INC negotiations where characterized by deep north-south divisions. Industrialized countries argued for the inclusion of developing countries in any agreement to reduce emissions. Developing countries resisted, blaming the former and their industrial models of economic development based on a profligate use of fossil fuels for the majority of emissions already present in the atmosphere. Consequently, developing countries argued that it was industrialized nations that should be responsible for any initial action to reduce GHG emissions.

These difficult issues such as who would assume responsibility for the problem of increasing GHG concentrations, as well as the special considerations of developing countries and the degree of scientific uncertainty inherent in many of the early climatic models, all acted to influence the emergence of various negotiating blocs. The Organization for Petroleum Exporting Countries (OPEC) was initially opposed to any international convention, fearing such an agreement would economically harm its members due to their dependence on oil exports. The Alliance of Small Island States (AOSIS), whose membership is primarily comprised of many sea-level countries that

remain most vulnerable to climate change, sought deep cuts in GHG emissions. Many developing countries saw the beginnings of such an agreement as a chance to address issues of technology transfer and economic development, and used the opportunity to reassert their demands for a New International Economic Order.

Most relevant to the analysis here were the divisions among the OECD countries. Nitze (1990) has characterized the different perspectives of the OECD countries into several groups: 1) the US, 2) Japan, 3) the European Community (further divided into the Nordic countries, Spain, Portugal and Greece and the United Kingdom, and 4) Canada, Australia and New Zealand. The US remained antagonistic to any international climate agreement stating that it needed domestic consensus before it would consider making serious commitments to emissions reductions. Japan, which already led the world in efficient production processes, also espoused a conservative approach. The European Community (EC) wrestled with internal differences with the Nordic countries; the Netherlands and Germany pressed for reductions even if these entailed domestic sacrifice, while Spain, Portugal and Greece asked for more modest targets citing their lower levels of economic development and their correspondingly smaller contribution to emissions levels. The UK's position fell in between these two groups. Supporting the EC in pushing for short-term reductions were Canada, Australia and New Zealand.

Throughout the early negotiations, as is seen in the following sections, Canada's role was one of strong support for international action on climate change. In addition to hosting the Toronto conference, Canada lobbied for targets and timetables for GHG emissions reductions, was instrumental in isolating the US for its recalcitrant

position and, due to the early efforts of Lucien Bouchard, a particularly powerful environment minister, arrived at the INC negotiations with a national strategy for action on climate change.

2.2 Canada's Aims throughout the INC Negotiations

In the five sessions it took to negotiate the Convention, Canada maintained a well-defined position on climate change. The official Canadian position throughout the negotiations reiterated, in fact, earlier commitments made domestically under the 1990 Green Plan, an effort spearheaded by then Environment Minister Lucien Bouchard. Both the official position during the negotiations and domestic commitments under the Green Plan called for a stabilization of carbon dioxide and other greenhouse gas emissions at 1990 levels by 2000. The Green Plan's commitment to climate change, the *National Action Strategy on Global Warming*, was to provide a framework for addressing the global warming issue in Canada. It states

> "Canada has stated consistently since 1988 that its diplomatic energy will be focused on achieving a global framework convention on climate change, to be signed in time for UNCED in 1992. This convention would seek an overall agreement of all nations to reduce effects on climate, along with appropriate protocols with binding commitments to specific actions needed to achieve the objectives of the convention" (Government of Canada, 1990:101).

In addition, the strategy outlined a commitment to limit net emissions of GHG (through international cooperation, by improving energy efficiency and promoting alternative energy sources), to anticipate and prepare for potential effects of global

warming and to improve scientific understanding of climate change and improve the predictive capabilities of climate science (Government of Canada, 1990:102).

While the Green Plan has been derided for its domestic failings, for its reliance on information dissemination at the expense of regulatory policies, and for its failure to embrace market mechanisms to encourage significant environmental protection, it remains *the* environmental initiative put forward by the federal government in the early 1990s (see Hoberg and Harrison, 1994: Toner, 1994: Doern, 1991 for a discussion of these failings). Its value for the case of climate change was that it gave at least outwardly, a semblance that Canada, unlike many other countries at the international level, was already on its way to making strides to reduce GHG emissions. Indeed some critics suggest that "a good case can be made that the Green plan was propelled by a need to keep up with international pressures more than a need to assuage domestic ones, however compelling the later had become" (Doern and Conway, 1994:238).

Armed with a commitment to stabilize GHG emissions at 1990 levels the federal government entered the INC process, already prepared for the most central issue of the INC process, the question of specific targets and timetables for GHG emissions reductions. While it was the 1988 Toronto conference that marked the beginning of the debate on targets and timetables (Hecht and Tirpak, 1995), Canada's foresight on this matter allowed it to coast on an already strong record of environmental leadership in international environmental foreign policy, produced by its earlier efforts on atmospheric issues like ozone and acid rain. The emphasis on targets by Canada is illustrated in the 1993 Standing Committee on the Environment's

report, *A Global Partnership*, which states that Canada's goal during these negotiations, was

> "to conclude a framework convention as an effective tool for concrete, cooperative international action, agreed to by the maximum number of countries, equitable to all parties, and achievable in a cost-effective manner."

While Canada, the EC, Australia and New Zealand, pushed for binding targets, it was the recalcitrance of the US that ultimately was instrumental in weakening the resulting convention of the INC process. The US was flatly opposed to any concrete targets and timetables for emissions reduction and worked hard to avoid any form of binding language within the agreement. Hecht and Tirpak (1995) suggest that opposition from the US was a result of several factors including uncertainty of the projected economic costs of policy efforts to reduce emissions, concern about future financial commitments the US might have to assume (especially the creation of a special fund to help developing countries as had been the case under the Montreal Protocol) and uncertainty about the scientific evidence of climate change itself. Doern (1993:73) suggests that it is the US' profligate energy usage, and its recovery from the recession of 1991-92, in addition to its difficulties in achieving domestic consensus, that were responsible for US opposition to a climate agreement. There were also important institutional factors that accounted for the American climate policy of the time. Several influential, senior policymakers in the Bush administration played a key role in ensuring that the US position remained isolationist. Newell (2000:57) has suggested that President Bush's Chief of Staff, John Sununu, a climate change cynic, remains the man most responsible for the fact

that the skeptical view of climate change science gained far more salience in the White House than did the scientific, peer-reviewed, consensus of the IPCC.

Such factors culminated in the US' commitment to a "no regrets" stance during the negotiations, in which actions to reduce GHG emissions would be undertaken only if justifiable on grounds other than climate change alone (i.e. policies that would result, firstly, in cost-savings or increased efficiencies and maybe secondarily in reducing emissions).

Canada opposed the United States' rejection of targets and timetables. Instead, the federal position was one that supported the European Community's call for strong action in the fight against climate change. The federal government aligned itself with more progressive countries like The Netherlands, Germany, New Zealand and Australia, all of which advocated specific targets and timetables for GHG emissions reductions in the early negotiations. Canada also played a significant role in helping isolate the United States in its opposition to targets, as Canada too is a large, cold country with a heavy reliance on fossil fuels and as such, ought to share many of the US's concerns regarding per capita energy consumption.

The fact that Canada was able to distinguish itself from the US position during this early period of the climate negotiations suggests that there were a couple of domestic factors that allowed the federal government to act in a more autonomous matter on the climate change issues, than in later periods. The first of these was the prime ministerial attention to the issue and the presence of a powerful Environment Minister, Lucien Bouchard. The second is the presence of particular actors at the early consultative processes and the strategies they adopted herein.

2.3 Actors

2.3a Governmental Officials

As the first head of state of an industrialized country to sign the 1992 Convention, Prime Minister Mulroney played a major role in raising Canada's profile on the climate change file. Prior to the 1988 Toronto conference, Mulroney lobbied to put the environment and sustainable development on the agenda at the G-7 Toronto Economic Summit in June of that year, alongside more traditional economic concerns (Runnalls, 1993:135). This was the first time the issue of climate change was discussed at a G-7 meeting and Mulroney and the German Chancellor Helmut Kohl, are largely credited for making this unprecedented step in the primarily economic agenda of the G-7. Mulroney attended the 1988 Toronto Conference, which although non-governmental in nature, was attended by several ministers in their official capacity, and had far more status and influence than other such meetings held before or after, primarily because of the appeal for the Toronto target (Bodansky, 1994:49). In addition, Mulroney launched a "quick start" agenda on climate change, which included hosting some of the early international meetings, promoting a scientific work plan for the IPCC, and providing bilateral funding for developing countries to carry out studies of GHG emissions. While the early 1990s brought Mulroney's domestic popularity to new lows, as he weathered the storm of criticism of his unpopular Meech Lake Accord and Free Trade Agreement, action on climate change (and on other international environmental issues like the Montreal Protocol) became his saving grace, allowing him to shine on the international stage.

Also significant in achieving a strong, coherent position for Canada in the INC process was Environment Minister Lucien Bouchard. A close friend of Mulroney's from their early days in law school Bouchard's appointment to the position by Mulroney propelled the otherwise weak and powerless department to new levels of prestige. Bouchard was arguably one of the most senior and powerful ministers to lead the department since its inception under the Trudeau government in the early 1970s. As Environment Minister from January of 1989 to May of 1990, he also served on the influential Priorities and Planning Committee, which funneled the most important issues directly to Cabinet, thereby raising the profile of the climate change issue considerably. It was Bouchard, who at the 1990 Bergen Conference allegedly announced, with no prior approval from Cabinet, that Canada would stabilize its GHG emissions at 1990 levels by the year 2000 (Hornung, 2001: pers. comm.). Bouchard would resign from Cabinet only days later over his frustration with the Meech Lake Accord.

Nevertheless, even with Bouchard gone from federal politics, the commitment he had made internationally was enshrined as part of the *National Action Strategy on Global Warming* within the 1990 Green Plan. Some authors have suggested that Bouchard's Green Plan, more interventionist and regulatory than anything else the Mulroney government had proposed, was designed to combat criticism that the Conservatives were weakening the federal government powers with the Free Trade Agreement, the Meech Lake Deal and their pro-market agenda (Doern, 1992:371). Bouchard's Green Plan, while controversial in many respects, remained central to Canada's negotiating position during the INC process, and his arrival to the

federal Cabinet coincided with Canada's strong position on targets and timetables, a position that was supported until after the 1992 signing of the Convention at Rio Summit.

2.3b Scientists

The first of the IPCC reports, released in 1990, confirmed existing scientific evidence for climate change and played a key role in alerting policy makers to the impacts of climate change. It warned that a doubling of CO_2 concentrations in the atmosphere would raise global mean surface temperatures by 1.5 to 4.5°C within a century. It also predicted that consequences of this would be rising sea levels, increasing frequency and severity of extreme weather events and serious ecological pressure on aquatic and terrestrial ecosystems. The first report concluded "the size of the warming is broadly consistent with predictions from climate models…but the unequivocal detection of the enhanced greenhouse effect from observations is not likely for a decade or more" (IPCC, 1990). Nevertheless, the message from the scientific community was clear. The world needed to begin a process to limit the production of GHGs in the atmosphere, or the consequences of global warming would be significant.

Several Canadian climatologists served on the IPCC, which produced the theoretical work on which the Convention was designed. Some of these climatologists also played a key role within the negotiating team. This was in marked contrast to later climate negotiations of the Kyoto and post-Kyoto era, in which economists and legal experts from the Department of Foreign Affairs and

International Trade took over the leading role of the delegations from Environment Canada. Throughout the INC negotiations it was Assistant Deputy Minister of Environment Canada, Elisabeth Dowdeswell, a climatologist, who led the Canadian delegation. She also served as Canada's main delegate to the IPCC and was a co-chair of Working Group II, the group within the IPCC that focuses on the impacts and adaptation issues of climate change.

2.3c Industry

Compared to the later years of the climate negotiations, the business lobby was relatively inactive during the INC sessions. Unlike the environmental lobby, which was working diligently to get the issue of climate change to the attention of federal representatives, the business community simply adopted a "wait and see" approach. The idea of an international agreement on climate change was very much in its infancy at this time, and as such, there were few details about what it might contain, or whether the international community would even accept such a thing. John Dillon, past president of the former Business Council on National Issues (BCNI), claimed that there was so little information about what an international agreement on climate might look like the business lobby adopted more of an observer role and remained relatively silent on the issue (Dillon, 2001:pers.comm.). Gordon Lambert of Suncor Energies Inc. has suggested that this silence from the business lobby resulted largely from the fact that industry wanted a seat at the table, and was

reluctant to criticize the federal government so early in the game (Lambert, 2002: pers.comm.).

There were a couple of exceptions to this "wait and see" approach. Both the Imperial Oil Company and the coal industry recognized early on in the process that their industries were most at risk from an international agreement on GHGs. As early as 1990, Imperial Oil emphasized Canada's small contribution to global CO_2 emissions and the scientific uncertainty of climate science. Two of the company's key reports at this time suggested "Canadian actions must be consistent with the imperative to maintain the economic well-being of the world and Canada's competitiveness in a global trading economy" (Imperial Oil, 1990:6-7) and that commitments by Canada to stabilize CO_2 and other GHG emissions, if continued into the future, "would undoubtedly require major policy interventions to reduce fossil fuel combustion [and that] such steps would come with significant implications for personal lifestyle and…would damage Canada's international competitiveness" (Imperial Oil, 1991:22). Yet, the actions of Imperial Oil did not receive much attention, as their representation in terms of formulating a federal position was funneled through their membership in the Canadian Association of Petroleum Producers (CAPP). And CAPP, while occupying a seat on the Canadian delegation to the INC meetings, whether unconvinced that the climate issue would amount to much or whether reluctant to criticize the federal government, remained silent on the issue.

Active from early on in the process, the coal lobby felt that they would be targeted by any international agreement on climate change because their industry was a heavy producer of GHGs due to the high carbon content of the resource. Jim

Popowich, president of the Canadian Coal Association, maintains "coal was targeted very early in the process…Bouchard had no understanding of what Canada was committing to". Popowich also maintains that the coal lobby had very little influence in raising the alarm with other members of industry. He explains "other industry associations like CAPP and BCNI ignored our warnings. They knew that coal would be marginalized, and it was only later that the rest of industry took notice" (Popowich, 2002: pers. comm.).

2.3c Non-governmental Organizations

The environmental lobby at this time, small as it was, adopted a strategy in direct contrast to that of the business lobby. Instead, environmental groups were very active on the climate change issue, and worked diligently to raise the profile of global warming with both the general public and politicians. At the Toronto Conference, several environmental groups had been involved in drafting the Conference Statement, including the 20% reduction target. While the business community had not yet mobilized or engaged in much pressure on the federal government, environmental associations took the lead. Canada was one of the few countries in the INC process that had representatives of non-governmental organizations on their official delegation. For most of the INC meetings there were only two seats for environmental groups and a corresponding number for business interests (like the business community, the Canadian environmental NGOs active on the climate change file during the time of the INC process were few in number). The two groups with

seats on the Canadian delegation were the Sierra Club of Canada and the Friends of the Earth.

The UN also allowed NGOs who were not part of a country delegation to apply for observer status; several other Canadian NGOs took this route. By 1992, when the final draft of the Convention was awaiting signature at the Earth Summit in Rio, the international NGO community held a monstrous parallel forum that matched the Rio Summit in scope of issues. The Global Forum was attended by some 3000 delegates, and published a daily newsletter called *ECO*, which summarized many of the sentiments from non-governmental groups regarding the issues negotiated each day. Several Canadian environmental NGOs, who worked actively within the forum, helped produce an NGO treaty on climate, which advocated that industrial countries needed to make dramatic reductions in GHG emissions in order for the developing countries to improve living standards, and that all countries ought to embrace sustainable paths to development.

Indeed, the feeling of the Canadian environmental NGO community was that efforts to raise international awareness on the climate change file through international media were more effective than the domestic consultations set up by the federal government to allow these same groups to have input into the federal position (Hornung, 2001:pers.comm.).

2.4 Consultative Processes

During the INC process Environment Canada set up two consultative bodies that were to advise the Canadian negotiating team, a joint team comprised of representatives from both the Department of Environment and External Affairs and International Trade (DFAIT) and Environment Canada and led by the latter. The first of these bodies, the *Climate Change Convention Advisory Committee* (CCCAC) included representation from both environmental groups and business interests. Environmental NGOs however, soon opted out of the process when it became clear that the government was not interested in looking at domestic efforts to reduce emissions. Robert Hornung of the Pembina Institute, claimed that the CCCAC process was very clearly not about domestic reductions, only about cobbling together an international position (Hornung, 2001, pers. comm.). At the same time, there appears to have been very little expectation that the CCCAC was ever mandated to examine domestic reductions. In fact, its primary purpose was to inform the Canadian negotiating team. Doern (1993:74) has suggested that this opting out by environmental groups was also due to the fact that these groups were still angry over the government's failure to consult properly over the Green Plan, and that given the high profile of the UNCED Rio Summit, felt that their best leverage lay in using international media pressure to raise the profile of the global warming issue. While this may have been a calculated effort undertaken by many NGOs who believed they would be more effective in working from outside the domestic arena, it also meant

that the CCCAC became mainly a consultative vehicle for business. Doern (1993: 74-75) continues:

> "Composed of about 20 knowledgeable people drawn from key sectors affected – namely, oil and gas, coal, utilities, mining and pulp and paper – it met two weeks after each negotiating section and again one month prior to the next session. When requesting its negotiating authority from the Cabinet prior to each negotiating session, the negotiators agreed to submit the industry – as well as ENGO and provincial – positions as part of their Cabinet submission. In addition, records of committee meetings were sent to ministers. An energy caucus within the committee also lobbied the energy minister hard, and he, too, was at the Cabinet table to influence negotiating positions…[thus] considerable business input occurred."

After withdrawing from the CCCAC, many Canadian environmental NGOs, acting through the Canadian Environmental Network (an NGO umbrella group with an international affairs caucus), joined their international counterparts in a wider network of NGOs called the Climate Action Network (CAN). The CAN group pressed for reductions in GHG emissions, and did not merely support the notion of stabilization, as the Convention later stipulated. This decision to combine efforts at the international level, while a laudable strategy, could have proved a miscalculation on the part of Canadian NGOs. By withdrawing from the domestic consultative bodies, in an attempt to draw attention to Canada's weakening efforts on climate change internationally, environmental NGOs allowed more powerful business interests to gain control of the major consultative processes and to keep a direct line open to the federal government. While the position of the federal government still remained fairly progressive, especially in comparison to later negotiations, by opting out, environmentalists succeeded in closing one of the few avenues open to them in

influencing government, since they usually do not enjoy the same level of contact with federal ministers as representatives of business interests.

The second committee that existed to advise the Canadian negotiators during the INC process was the Provincial-Territorial Advisory Committee (PTAC). This was a governmental committee that existed primarily to allow provincial input into the negotiating positions. Each province and territory was represented by a dual delegation of its environment and energy departments. Doern (1993: 75) writes:

> "In general, the committee was not as active a group as its industrial counterpart [here he is referring to the CCAC] because key energy provinces such as Alberta were exercising pressure through other ministers and departments, and because of the impact of CO_2 emission reductions varies greatly among the provinces."

While the purpose of the PTAC may have been to allow provincial input and to keep the provinces informed as to what the federal negotiators were intending to do throughout the INC process, over time the focus of the PTAC shifted to the domestic implications of climate change. Both the CCCAC and the PTAC would later be disbanded in favour of the National Air Issues Coordinating Committee (NAICC), which included the Climate Change Task Group, an ad hoc and short-lived multi-stakeholder process that would present a number of recommendations to the federal government on how GHG gases might be reduced.

With the consultative mechanisms effectively dominated by business interests and the environmental lobby engaged elsewhere, it would seem plausible that the federal government would have adopted a more business-friendly approach throughout the INC process. This however did not occur. Instead, the Canadian government appeared to enjoy a high level of international legitimacy on the climate

issue. Its efforts to bring the United States into the agreement, its signature as the first industrialized country to the Convention attest to this. Compared to the later negotiations leading up to the 1997 Kyoto Protocol and its actions in the post-Kyoto period (explored in chapters 3 and 4) the federal government enjoyed a much greater degree of autonomy on the climate change issue. This high degree of autonomy was the result of several factors. No doubt, the business lobby's relative silence within the consultative processes (whether due to its unwillingness to jeopardize its seat at the table or due to the fact it remained unconvinced that the climate change issue would amount to much), and the environmental lobby's removal from the CCCAC were key. The presence of relatively few players active on the issue throughout this early period allowed the federal government to act pretty much as it pleased. In short, the consultative process of the CCCAC, while no model of stakeholder consultation since it lacked representation from environmental interests, appears to have had little influence on the position adopted throughout the INC process. Instead, it acted more as a tool to legitimize a federal position that had already been decided within the Prime Minister's Office. Most significant in accounting for the relatively "green" position of the government at this time, was the high level of prestige Environment Canada enjoyed. Minister Lucien Bouchard's appointment to the influential Priorities and Planning Committee, and the close connection he enjoyed with Prime Minister Mulroney, who also took a strong interest in environmental matters, all suggest that the federal cabinet was acting coherently on the climate change issue. It was representatives of Environment Canada who led the Canadian delegation to the INC process, and the position from the Prime Minister's Office, appeared to be that

Mulroney wanted to make a strong impression that Canada was committed to action on climate change. This would not be the case in later years, when future delegations would be jointly led initiatives with DFAIT and when the federal cabinet would become consumed in a power struggle between federal departments.

2.5 Conclusion

The final draft of the INC negotiating processes was prepared with a desperate emphasis to have something to present at the 1992 Rio Summit. As such, with agreement of industrialized countries looking increasingly unlikely, this final document contained no targets and timetables (these would be negotiated at a later date). Since most countries deemed it essential that the United States remain engaged in the process (due to its high level of GHG emissions), the final document was much weaker than many would have liked in order to keep the US engaged in the process. President Bush had made it clear that if the final draft agreement contained strict targets for emissions reductions, he would not attend the 1992 Rio Summit and would withhold funds for technology transfer to help developing countries find alternative energy sources. In the end the language used stated that the treaty would "aim" to stabilize GHG emissions to 1990 levels by 2000. Instead of limits on emissions, the treaty proposed that industrialized countries would submit national reports on their efforts to deal with climate change. In addition, the key elements of the framework convention included financial resources to meet convention goals, promotion and transfer of technology to developing countries, institutional mechanisms to allow the

international community to manage climate change problems over the long term through working with the IPCC (Meakin, 1992).

Amid much fanfare, Prime Minister Mulroney put his signature to the final document on June 12, 1992, the first leader of an industrialized country to do so. Canada would ratify the Framework Convention six months later on December 4, and while the lack of targets was a disappointment to many, the Canadian position remained committed to targets and the stabilization of their own GHG emissions, the same target that Bouchard had made to stabilize GHG emissions to 1990 levels by 2000.

The INC negotiations' achievement of the 1992 Convention was a mixed success. On the one hand, it was an enormous accomplishment to arrive at a convention that so many countries could support. Canada deserves considerable credit for the role it played in establishing such a monumental international agreement. In joining the European countries in arguing for binding targets and a schedule for GHG reductions, Canada showed that it was committed, at least on the international scene, to maintaining a key role in international environmental affairs and in contributing to the rising importance of the debate on sustainable development. Both the Prime Minister and Environment Minister played key roles in demonstrating that Canada was serious about environmental leadership. As one of the few countries to arrive at the INC process with a prepared position on climate change encapsulated within a larger domestic environmental strategy Canada was able to make useful contributions to the negotiations. More importantly, Canada's advocacy for and commitment to binding targets and timetables, demonstrated to the international

community that if the country with the highest per capita consumption of fossil fuels could move toward a stabilization of GHG emissions, then an international agreement to start such a process was a potential solution to this growing environmental problem. As a result, Canada was able to play a key role in isolating the more recalcitrant United States, where critics continued to deny the scientific evidence for climate change. Bouchard's strong leadership on environmental issues and his announcement at the 1990 Bergen conference that Canada would stabilize its GHG emissions at 1990 levels, something he did without any prior approval from Cabinet days before he left federal politics, was also a key determinant in Canada's progressive stance on climate change during the early years of the climate change debate.

This international limelight as one of the world's environmentally progressive nations on climate change was to be short-lived however. While the federal government had been able to act relatively autonomously, its commitment to stabilize GHG emissions was made without prior approval from the provinces, something that would surely have to happen if any domestic efforts to reduce GHG emissions were to be successful. And this autonomy of the federal government would soon be challenged by a host of new actors who wanted to be part of any discussion on climate change.

By the time the final draft was adopted at the Rio Summit, the commitment to reducing GHG emissions was weaker than Bouchard had intended. Instead, of binding targets and a schedule for action the final language included only an "aim" to stabilize emissions, a testament to the importance the international community placed

on keeping the United States, one of the world's largest emitters of GHGs, involved in the process. In the end, however, the INC process succeeded only in negotiating a statement of principles, not a detailed plan for GHG reductions.

Nevertheless, Canada's reputation for leadership on climate change was strong during this period. Canada had demonstrated some clear examples of environmental leadership in terms of its firm targets, and its efforts to cajole the US into participating in the Convention. But in the years that follow, Canada's position as a leader on climate change would begin a downward slide, to the point where Canadian environmentalists would decry that it was, at times, worse than that of the United States.

Chapter 3: Canada and The Kyoto Protocol

3.1 The Retreat

The following chapter traces the retreat of the federal government's position on climate change after the signing of the 1992 Convention. It identifies the 1994-1995 period as the point at which a policy shift to a more recalcitrant international position occurred and chronicles the actors and processes that are responsible for such a shift. While Canada was one of the more progressive countries in advocating targets and timetables for reductions in CO_2 emissions in the early years of the climate negotiations, Canada's international negotiating position became much more closely aligned with the United States at the 1995 CoP 1 meeting in Berlin. By joining the JUSCANZ alliance, a bloc of countries that opposed further action by industrialized countries to limit emissions without similar binding commitments on the part of developing countries, Canada began a spiral into climate policy hypocrisy that would only solidify in the following years. In this chapter I provide some detail as to what the federal government did (or didn't do) about rising GHG emissions on the domestic front after the signing of the 1992 Convention. Key to this inaction is the domestic squabbling between federal ministers and the growing pressure from the industry lobby. I examine these key political actors and I draw particular attention to the role of Prime Minister Jean Chrétien, and the power struggles between several federal departments ministers that consumed his cabinet and helped to formulate the less progressive position of the 1994-1995 period. This chapter examines how this

lack of domestic consensus resulted in an incoherent and ad-hoc policy response for formulating an international position for the third CoP conference in Kyoto. Second, I examine the lobbying and the reactions of key interest groups such as business associations, scientists, environmental organizations and Aboriginal associations are also detailed, in order to understand what pressures were exerted on federal policymakers. With respect to the consultative process of this period, I argue that the replacement of the more formal consultative process of the CCCAC by its ad hoc successor the Climate Change Task Group was a substitution of an imperfect consultation process by an even worse one.

3.2 Canada's Climate Change Policy Shift

3.2a Domestic Developments and the Influence of the Business Lobby

After the signing of the UNFCCC at Rio Summit in 1992, there was a period of inactivity on the climate change file in Canada. While the federal government basked in the glow of its green reputation on the international stage, the UNFCCC slowly made its way through the requisite parliamentary proceedings for ratification in December of the same year. With an upcoming federal election, the Canadian electorate was preoccupied with issues other than the environment and the glitz and enthusiasm of the Rio Summit had subsided. Harrison (1996:118), in examining the salience of environmental issues in the late 1980s and early 1990s, has suggested that public concern for environmental issues in Canada peaked in 1990, at approximately

the same time that unemployment reached its lowest levels. She further suggests that the onset of an economic recession and resulting levels of high employment jockeyed for top position on the national agenda with national unity throughout 1991 and 1992, and later with the deficit in 1993. Hence, by 1993 election platforms of the major parties focused on more such immediate issues, and environmental issues like climate change receded to the background. Stefanick and Wells (1998:251) have also suggested that the 1993 election was dominated by issues like employment, the GST and deficit reduction, and that "the environment…migrat[ed] to the backburner".

While in opposition, the Liberals had been highly critical of the Conservatives efforts on environmental protection. But they appeared to lose interest in environmental issues upon assuming power. The Liberal Party's Red Book, *Creating Opportunity: The Liberal Plan for Canada*, tried to overshadow previous Tory commitments to the environment by promising to work with both provincial and municipal levels of government in an effort to reduce carbon dioxide emissions by 20% from 1988 levels by 2005 (Liberal Party, 1993). The same document identified federal policies that have promoted private transportation over public and energy use over conservation and claimed that "a Liberal government [would] establish a framework in which environmental and economic policies point the same way" (ibid.) In assuming office, however, the Green Plan was quietly terminated under the Liberals (Stefanick and Wells, 1998). Few promises in the Liberal plan appear to have been implemented and the goal to reduce GHG emissions by 20%, while bordering on the fantastic, appeared to have been forgotten.

Some critics of the Liberal government's efforts on climate change have dismissed such promises as mere election platitudes (see Stefanick and Wells, 1998) in light of future Liberal inaction on climate change. After assuming office in the fall of 1993, the new Liberal government, with Jean Chrétien at the helm, moved slowly on the climate change file. In fact, for most of 1993, Ottawa said little about GHG emissions reduction strategies. By early 1994, in keeping with its 1992 Convention commitment to produce national reports on actions to date, the government released its national report on climate change, which projected that under current energy policies Canada's energy-related GHG emissions would be 538.2 Mt of CO_2 equivalent in 2000, almost 11% above 1990 levels (Government of Canada, 1994:130). It appeared that, if Canada did not take action soon, it was well on its way to failure in meeting its UNFCCC goal to stabilize GHG emissions at 1990 levels by 2000.

While there was little federal government action in the early years after the signing of the Convention, federal initiatives in 1994 and 1995 were also largely ineffective in reducing GHG emissions. In late 1993 and 1994, federal and provincial ministers of environment and energy convened a Climate Change Task Group under the National Air Issues Coordinating Committee. The Task Group was charged with a mandate to "proceed with the development of options that will meet Canada's current commitment to stabilize greenhouse gas emissions by the year 2000 and to develop sustainable options to achieve further progress in the reduction of emissions by the year 2005" (Climate Change Task Group, 1994). After a national consultation process that lasted 18 months, the Task Group produced a list of 88 recommendations

to reduce GHG emissions. Some of these recommendations included the application of a "gas-guzzler" tax for new motor vehicles, rebate schemes to remove older, less efficient vehicles from highways, surcharges on motor fuel, and improved public transit systems through high-speed rail subsidies (Climate Change Task Group, 1994). The report also made recommendations for the residential, commercial, energy and forestry sectors.

The provincial government of Alberta quickly denounced these recommendations. At a November 1994 Joint Ministers Meeting in Bathurst, New Brunswick, where Environment Minister Sheila Copps tried to rally support for the recommendations, both the energy and the environment ministers of Alberta resisted all elements of the plan except voluntary efforts (Koch, 1994). Such recalcitrance angered both British Columbia and Ontario NDP governments. British Columbia's Environment Minister Moe Sihota claimed that not only was Alberta "not prepared to accept its environmental responsibilities" but that Alberta and its supporters had "their heads stuck in the tar sands" (Koch, 1994). Hornung and Bramley (2000:2), in a study of what happened to the Task Force's 88 recommendations, have argued that instead of implementing these specific measures for GHG emissions reduction, the federal government implemented just over a third of them, and then only partially implemented them at best.

With the recommendations of the Task Group sidelined and largely unimplemented, the federal government unleashed a new effort. Launched in 1995, the *National Action Program on Climate Change* (NAPCC) was the major domestic initiative in this long period of inactivity after the Rio Summit that would address the

issue of climate change in Canada. The NAPCC set forth "'strategic directions' that Canada would pursue in its climate change policy, in the hope that specific measures would be implemented over time" (Hornung and Bramley, 2000:2), but did not contain any concrete actions such as the early recommendations of the Task Group.

The cornerstone of the NAPCC is the Voluntary Challenge and Registry Program (VCR), an initiative in which companies and organizations are recognized for making voluntary efforts to reduce their GHG emissions. The VCR is "a federal/provincial initiative that *encourages* [emphasis added] industry, government and public institutions to take *voluntary* [emphasis added] actions to limit or reduce net greenhouse gas emissions" (NRCan, 1995). With no enforcement or regulatory mandate, the VCR is instead designed to "encourage participants to take ownership and responsibility for their greenhouse gas emissions and to develop meaningful and proactive plans to limit GHGs" (NRCan, 1997:3). The VCR has been widely supported by industry for its lack of regulatory policies and its emphasis on voluntary commitments. In a series of independent reviews of corporate action on climate change, the Pembina Institute (1996; 1997; 1998) has suggested that the VCR program is not reducing GHG emissions in Canada. The Institute maintains that while a few companies have begun to design and implement GHG reduction strategies, "the efforts of a few companies cannot hide the overall failure of the VCR to make a significant contribution to Canada's greenhouse gas stabilization commitment" (Pembina Institute, 1996:1-2). The institute suggests that both the federal and provincial governments have failed to provide meaningful incentives for participation in the VCR, that technical support and advice for participants is lacking

and that there is no standard set of guidelines to ensure that actions undertaken by participants are credible (Pembina Institute, 1998: 4).

While the NAPCC recognized that provincial consensus was key to mounting a strong and effective climate change policy, (since it is at the provincial level that many emissions reduction policies must be implemented), and although it achieved such a consensus due to its voluntary emphasis, it has failed to reduce GHG emissions. Even an independent review of the NAPCC, commissioned by the federal government in November 1996 concluded that the program had succeeded only in reducing Canada's projected emissions to 8% above 1990 levels and suggested "additional actions are needed" (RFI *et. al.*, 1996).

The efforts of the business community to ensure that the NAPCC's VCR remained a voluntary measure were key. As MacDonald and Smith (1999: 112-113) suggest:

> "A month before the national programme was announced…McLellan and NRCan made a separate peace with the petroleum industry. NRCan and the Canadian Association of Petroleum Producers (CAPP) signed a Memorandum of Agreement on 20 January 1995, which committed CAPP to work with NRCan to develop and promote the Voluntary Challenge and Registry Program. A news release issued by CAPP stated that the agreement demonstrates that the voluntary approach is a meaningful and substantive way to progress in addressing climate change."

Buoyed by support from the Alberta government, the business community succeeded in ensuring that anything that smacked of federally sanctioned regulatory efforts to reduce GHG emissions was thwarted. The fact that the key initiative of the major federal effort to reduce GHG emissions was voluntary in nature is testament to the strength of the fossil fuel industry pressure on the federal government. In the lead

up to the Kyoto Protocol, this industry pressure would only increase on the federal government.

3.2b International Developments

The failure of the NAPCC and the VCR to reduce GHG emissions, and the domestic politics surrounding the program were having an influence on the international position the Canadian government was taking at this time. As a part of the 1992 Convention, signatories would continue to work out the details of the new climate law regime in the follow-up Conference of the Parties (hereafter referred to as CoP meetings), and amendments to the Convention, as is the norm in international law, would be made through protocols to the framework agreement. The first such meeting, the CoP 1 in Berlin in March 1995, was intended to establish the parameters of the Convention. It was here that the signatories to the Convention began the difficult negotiations of mapping out the terms of compliance, emissions targets and a schedule for action, the very same issues that had provoked much resistance from the US during the earlier 1990-91 INC process. At CoP 1, the Parties also adopted the "Berlin Mandate", which required developed countries to commit themselves to legally binding targets to reduce their own greenhouse gas emissions at the future CoP 3 meeting in Kyoto, Japan.

The CoP1 meeting was also the turning point in Canada's international position. The heady reputation that Canada had enjoyed as a green internationalist in the early negotiation years and the important mediating role it played in bringing the

United States into the climate Convention began to crumble as Canada's international behavior became more closely aligned with that of the United States and the rest of the JUSCANZ alliance (JUSCANZ, comprised of Japan, the U.S., Canada, Australia and New Zealand, made its first appearance on the international scene at this particular conference). This bloc of countries opposed further action by developed countries in the absence of action from developing countries. While Article 4 of the Convention highlights the "common but differentiated responsibility" of the parties to the Convention, it also assumes as a starting principle that fact that it is industrialized nations that have contributed the majority of GHGs present in the atmosphere, and lays the initial responsibility to reduce them upon them. The JUSCANZ group, in rejecting this principle, was tampering with the foundation upon which the international climate regime was founded. In aligning itself with the JUSCANZ bloc, Canada embraced the concern that industrialized countries might be economically disadvantaged by developing countries which were not subject to the same rules to reduce GHG emissions, and that the latter might enjoy an unfair trade advantage over the former.

While the earlier INC negotiations saw Canada take a leading role in arguing for the creation of an international fund to support emissions reduction efforts by developing countries, this new Canadian position within the JUSCANZ group was a clear indication that domestic politics was having a profound influence on the position of the Canadian government. As a result of earlier ineffective domestic action and a reliance on voluntary initiatives to meet its climate commitments, Canada arrived at CoP1 in Berlin with national emissions 13% above its target levels

established by the Convention. Government officials had to concede the fact that Canada had not lived up to its international commitment. At a symposium of the Canadian Global Change Program, Minister of Environment, Sergio Marchi, underscored, with some rather fearful imagery, the reality.

> "It would be nice if I could stand before you at this symposium and tell you a long list of what Canada is doing to combat climate change and how we are succeeding. I have the list. It is the success that's somewhat lacking. Canada is not doing as well as it should. Period. No excuses. Full stop. Current measures are inadequate to achieve stabilization of greenhouse gas emissions, let alone the additional reductions necessary to prevent dangerous interference with the global climate…there is a list of calamities that comes with climate change. Climate change could ensure that the legendary four horsemen of the apocalypse will have brothers. Flood, famine, fire, drought, and wars of depleting resources now moves from the realm of speculative fiction to realistic worry." (Marchi, 1995:1-2).

And yet, while crying foul in international circles that the developed countries were being forced to carry an unfair burden, it seemed not to matter that federal initiatives undertaken had done little to reduce GHG emissions and that Canada had not met even its original commitment. Instead, the message was clear, Canada was not willing to do more without commitments from countries that had contributed few of the GHG emissions believed responsible for climate change.

3.3 The Formulation of Canada's Kyoto Protocol Position

By early November of 1997, the federal government undertook preparations for the CoP 3 conference in Kyoto, Japan, that would negotiate a protocol to the 1992 Convention. The international community had recognized that the earlier commitments to "aim" to stabilize GHG emissions at 1990 levels had failed to

mobilize the signatories into significant action and a renewed effort was needed. At this time, U.S. President Bill Clinton had already declared the US negotiating position for the upcoming conference, a 5% reduction in emissions from 1990 levels. This announcement left Canada as the only G7 member country that was still struggling to make its negotiating position known (McIlroy, 1997). On a visit to England to meet Prime Minister Tony Blair, Chrétien purportedly called home to tell Cabinet that the Canadian position would have to be better than the American's (Rotheisler, 1997). Stefanick and Wells (1998) maintain that this questionable method of policy-making was a result of the PM's embarrassment at a Rio+5 meeting held earlier in the year when he was forced to admit that Canada would not meet the commitments it had made under the 1992 Convention. The official opposition was vociferous in its denouncement of the Prime Minister's statement, and claimed that Chrétien and Clinton were akin to " little boys arguing over whose green tax is bigger" (Hansard, 1997a). Daily the Liberals squared off in the House of Commons over what its position for the Kyoto meeting would be. Preston Manning, the leader of the official opposition, claimed that the federal government was engaging in "an environmental Meech Lake accord", with all decisions made on the issue occurring in a rushed, secretive manner with no agreement from the key players at home (Hansard, 1997b).

In fact, the Reform Party was only partially correct. The production of a coherent position for the delegation to Kyoto had been difficult to achieve, and the fact that the federal government actually managed to get the provinces to agree to any kind of position prior to Kyoto was no mean feat. On the pages of the national newspapers, vicious battles between feuding government departments, environmental

groups and the fossil fuel industry were conducted. The Reform Party stridently criticized the federal natural resources minister Ralph Goodale over the possibility of an energy tax. Such a tax also produced anger and scorn from Alberta environment minister Ty Lund, who threatened that the western province would consider secession under such draconian measures (Ingram, 1997).

The convening of a Joint Ministers meeting of both environment and energy officials in mid-November, designed to build federal-provincial consensus for the Kyoto position was successful in achieving two key goals; consensus on the need for action on climate change and an agreement that it was reasonable to reduce aggregate emissions to 1990 levels by 2010. This provincial consensus however, stopped short of approving Chrétien's goal to beat the United States (Laghi, 1997). But at least Ottawa appeared to have an agreement with the provinces on a position for Kyoto. The exception was the province of Quebec, which advocated deeper cuts to greenhouse gas emissions, and which withheld its agreement (Quebec relies largely on hydroelectric power, a cleaner energy source).

A few weeks later at the Kyoto meeting, the federal government committed Canada to reductions that far exceeded anything that had been agreed to at the Joint Ministers meeting. Going beyond the provincial consensus, environment minister Christine Stewart committed Canada to GHG reductions of 6% from 1990 levels, to be achieved by the 2008-2012 target period. Smith (2002:294) has suggested that this breaking of a federal-provincial agreement is suggestive of the federal government's concern for its international credibility as well as suggestive of the power dynamics within the negotiations themselves. This commitment to reduce GHG emissions

above and beyond the provincial consensus was denounced by the provinces, especially Alberta and Ontario, who felt that the federal government was abandoning its commitments to work cooperatively through the Joint Ministers forum.

3.4 Why the Kyoto Protocol is Controversial

While the signing of the Kyoto Protocol is a monumental achievement in international environmental diplomacy, it has attracted considerable criticism from all sides. A short examination of the more controversial aspects of the protocol is useful before examining the various stakeholder positions during the Kyoto period.

The Kyoto Protocol is distinguished from all other international environmental agreements by its inclusion of "flexibility mechanisms". These instruments were adopted in order to assuage US concerns that it would not suffer undue economic hardship in the process of emissions reduction. Indeed, without these 'flexibility mechanisms', the US threatened to withhold any commitment to the Protocol. The first of the three mechanisms includes an emissions trading system in which richer, industrialized countries that are signatories to the Convention can bargain to buy/sell emission permits among themselves. This allows countries who produce less GHG emissions to sell their "rights to pollute" to countries whose emissions may be higher due to natural resource dependence or high populations. The second mechanism is *joint implementation* (JI) in which these same industrialized countries can earn credit for the funding of emissions reduction in former communist Eastern European countries. The third mechanism is the *clean*

development mechanism (CDM), which is similar to JI but operates between industrialized and developing countries.

The use of these various instruments to trade emission quotas and to receive credit for reducing emissions outside one's own national borders shows just how strong the influence of the JUSCANZ countries was in the negotiations. Canada's support for "maximum flexibility" on the Kyoto mechanisms has earned it a substantial amount of criticism from environmental groups. These groups have criticized such mechanisms as international trading in "hot air", and are concerned that such mechanisms allow the worst polluters to shirk obligations to revamp their own energy consumption practices, while allowing them to still meet their international commitment targets. Canada, especially, has been charged in this respect.

Yet still more controversial has been Canada's insistence on the credit for carbon sinks. Recognizing that biological systems play a special role as sources and sinks of GHGs, the Kyoto Protocol states under Article 3.3 that "direct human-induced land use change and forestry activities, limited to afforestation, reforestation and deforestation since 1990" can be used by parties to meet their commitments (Kyoto Protocol, 1997). Under Article 3.4 the Protocol further states (rather vaguely) that at later meetings of the Parties "additional human-induced activities related to changes in GHG emissions by sources and removals by sinks in agricultural soils, land-use change and forestry" may be taken into account (Kyoto Protocol, 1997). The particular murkiness of these aspects of the Protocol have allowed for some bizarre interpretations. For example, Boukhari (1999) claims there is one lobby

group in Washington, which is pressing for Article 3.4 to be amended to include waste from wood products in the definition of a carbon sink, something that surely stretches the definition of a biological sink.

The German Advisory Council on Climate Change claims that the form in which biological sources and sinks are accounted for in the Protocol is inadequate and could lead to an accounting approach in which incentives are provided for negative impacts upon climate protection, biodiversity conservation and soil protection (WBGU, 1998). The problem appears to be in the definitions of what constitutes afforestation, reforestation and deforestation. One of the most significant dangers is the idea that countries may be able to replace old forests (which no longer act as sinks as mature trees become less adept at removing carbon from the atmosphere) and replace them with faster growing younger aged plantations.

It is with such concerns in mind about the Kyoto Protocol, that it is necessary to examine the various actors and their positions in the lead up to the Kyoto negotiations, and their reactions immediately following the federal government's commitment.

3.5 Actors

While the CoP 1 Berlin conference of 1995 indicated that the federal government was undergoing a policy shift on the climate change issue, an examination of what was happening at the domestic level is needed to understand the factors responsible for this change. While interest on the issue of climate change had

been primarily the domain of government officials and scientists in the early 1990-1991 INC process, by the 1994-1995 period the number of domestic actors had ballooned. The importance of these actors is key to understanding how the federal government's position changed between the two periods. First, Jean Chrétien, the new Liberal prime minister, demonstrated a serious lack of engagement on the issue of climate change. Second, more powerful ministers of Finance, Industry and Natural Resources and provincial government officials overpowered the few senior ministers who advocated regulatory efforts to deal with domestic levels of GHG emissions. Third, the business community began to exert its influence, especially on provincial governments. Fourth, the environmental community, which continued to focus its efforts primarily at the international level, was unsuccessful in lobbying federal officials at the domestic level. At the same time, the more formal although imperfect consultative process of the CCCAC that lacked environmental representation was replaced by an ad-hoc and short-lived multi-stakeholder initiative (although the federal government continued to meet formally with provincial premiers and provincial energy and environment ministers, usually prior to the CoP meetings). These domestic trends all acted to influence the position of the federal government at the 1997 Kyoto Protocol conference.

3.5a Government Officials

Unlike Brian Mulroney, Prime Minister Chrétien enjoyed no earlier international reputation as an environmental statesman. The low level of interest the Liberal government had demonstrated on climate change after the signing of the

Convention and the earlier admission that Canada was unable to meet its earlier international commitments, caused Chrétien a loss of credibility that Mulroney had not experienced on the international stage. Indeed, Chrétien's reactionary position to "beat the Americans" at GHG emissions reduction targets in the lead-up to the Kyoto negotiations, and his late-night phone call from overseas, showed very little reasoned response to such an important environmental agreement. Instead, these incidents looked suspiciously like knee-jerk reactions to the pressure he was under in the House of Commons from his federal counterparts to release a federal position for the upcoming Kyoto conference. Such lack of engagement had dramatic consequences for the Canadian climate position. While Mulroney attended several of the early meetings on climate change like the Toronto conference, and while he lobbied to put environmental concerns on the G-7 agenda, Chrétien only became personally engaged with the climate issue in the weeks before the Kyoto conference. As Mitchell (2002), in reflecting on the decline of Canada's environmental leadership writes:

> "Ten years ago today, when Canada turned 125, this country was a powerful international role model for the environment under the leadership of Prime Minister Brian Mulroney. Today, as we celebrate the 135th anniversary of Confederation under Prime Minister Jean Chrétien, Canada is widely seen as an environmental laggard on the international stage. The decline in international reputation is so stark that environmentalists pine for the days when Mr. Mulroney ran the country. He resigned in 1993 after nine years in office. "It's been a dismal, dismal, dismal decade", Elizabeth May of the Sierra Club said in Ottawa. "People come up to us at international meetings now and say, 'What happened?'." Does she wish she could bring back the Progressive Conservative from Baie Comeau? "Yes! No kidding! No kidding!" she said, adding that her legendary fights with Mr. Mulroney over the environment remind her of a bumper sticker she saw once in Brazil: "I was happy and I didn't know it."

Also, as Russell and Toner (1999:6) have suggested, lack of prime ministerial engagement was responsible for the "open warfare" that resulted between cabinet members under the Liberals' first mandate.

This infighting among senior ministers centered on the creation of the NAPCC. Several federal ministers took strong positions on the climate issue. Environment Minister Sheila Copps, who was overseeing the Climate Change Task Group's work, which would later produce the forgotten recommendations, was a staunch advocate for regulatory measures to reduce GHG emissions and maintained that the use of voluntary mechanisms like the VCR would not work. Even after Copps had left the environment portfolio and moved into her new position as minister of Canadian Heritage, she continued to support the new environment minister Christine Stewart in pushing for stronger measures for reducing CO_2 emissions.

Stewart was in the unenviable position of leading the department after the federal government had done so little to reduce emissions domestically. She was also a junior minister in Cabinet at that time, and some suggested that a more experienced minister would have been better suited to lead the official delegation to Kyoto (Speirs, 1997). This responsibility, coupled with Chrétien's dubious policy recommendation for Kyoto and the difficulties of achieving consensus among the provinces, caused her a significant loss of credibility. Her reputation plummeted to new lows when she admitted to the media shortly before the Kyoto meeting that Canada may have "made a mistake" in agreeing to reduce CO_2 emissions to 1990 levels by 2000, under the 1992 Convention (Cohen and McIlroy, 1997). Such a statement was a startling admission, especially on the heels of remarks from earlier

ministers like Marchi and Copps who had taken strong positions on what Canada ought to be doing about climate change, and from the Prime Minister who had admitted he was embarrassed by Canada's earlier failings. Stewart left the federal government one year after the Kyoto conference.

Opposing both these federal ministers was a formidable group of ministers who opposed strong regulatory measures. They included Finance Minister Paul Martin and Natural Resource Canada Minister Ralph Goodale, who both opposed the idea of a carbon tax (although at one time Goodale had mused publicly about it, but under intense pressure from industry soon backed off). Industry Minister John Manley, and former NRCan minister Anne McLellan also formed part of this opposing group. The latter had been a strong advocate of the VCR program when in the portfolio, and spurned calls for government interventions such as a carbon tax, in reducing GHG emissions. She is widely credited with wining the fight against Copps to have only voluntary measures implemented as the foundation of the government's 1995 NAPCC. As Russell and Toner, (1999:6) suggest:

> "McLellan was able to ride her cabinet colleagues' growing anxiety about jobs and economic growth in the period just after the 1991-1993 recession, to gain acceptance of a cautious go-slow approach to climate change".

The underlying chaos within Prime Minister Chrétien's cabinet prior to the formulation of the Canadian position for the Kyoto negotiations suggests that, unlike the Mulroney government in the early period of the negotiations, the federal departments of the Liberal government were not all marching to the same tune. While Mulroney had given free rein to Lucien Bouchard and elevated the department of Environment Canada above its former powerless status by allowing them both to

lead Canada in the INC negotiations, Chrétien had the more difficult task of directing a splintering federal cabinet to act cohesively. No doubt, Chrétien's early disinterest in the climate file set a precedent that made it increasingly difficult for his government to prepare a defined position and pull in the same direction. At the same time, Prime Minister Chrétien was confronted with a much more difficult task since the business lobby had now abandoned its earlier 'wait-and-see' approach, an approach that had allowed the Mulroney government to act more autonomously on the climate change issue.

3.5b Scientists

By 1995, the scientific community had moved further in the direction of scientific certainty regarding the impact of human activities in contributing to the earth's warming. At this time, the IPCC published its second assessment report, which claimed, in the traditionally measured way of scientific circles, "that the balance of evidence suggests there is a discernible human influence on global climate" (IPCC, 1995). This was, however, a significant development in the scientific certainty of climate change and represented a strengthening of the earlier predictions in the first assessment of 1990.

3.5c Industry

If the business community had remained relatively silent during the early negotiations of the UNFCCC process, they certainly had found their voices by the

time the federal government was engaged in formulating a plan to reduce GHG emissions at home. The business community was vociferously opposed to domestic reduction plans that would include a fuel tax, a carbon tax or an energy tax of any kind; many voiced support for the voluntary approach that had been enshrined in the VCR of the NAPCC. Prior to the negotiations at Kyoto, CAPP appeared unworried about the target that would be discussed at Kyoto. Chris Pierce, vice-president of CAPP, said he was confident that "the prime minister [had] clearly enunciated exactly the themes we have been trying to convey to government for a year" (Alberts, 1997a). Even former NRCan minister Anne McLellan (who would be replaced by Minister Goodale in the portfolio, and who met with CAPP alongside Goodale prior to the Kyoto conference) admitted, "if you talk to them [CAPP], I would be very surprised if they have any problem with the way I represented their interests" (Alberts, 1997a). CAPP also pressed Ottawa for a seat on the delegation to Kyoto, a privilege they had not enjoyed at earlier CoP meetings, and were successful in their efforts. While the business community had been represented by the BCNI, which held seats on the Canadian delegation to earlier CoP conferences, prior to Kyoto, CAPP lobbied hard for a seat at the table claiming that the oil and gas producing interests needed more representation (Alberts, 1997b). Considering CAPP's president, David Manning, is a former deputy energy minister in Alberta and has close ties to Ralph Klein and that the vice-president, Chris Pierce, served as an assistant to Ralph Goodale, when the latter was agriculture minister, these political connections have likely helped CAPP in pressing their case to the federal government (Alberts, 1997a).

Throughout the Kyoto negotiations there was little doubt where the business community stood on the issue of climate change. The BCNI lobbied the federal departments of environment, natural resources, industry and finance and DFAIT to reject the short-term reductions in GHG proposed by the EU. Their "50 days to Kyoto" strategy also called for the federal government to insist on the inclusion of developing countries like China, Brazil, India, Korea and Mexico within the Protocol, to fight for "maximum flexibility" in implementing any reductions, to pursue an emissions trading agreement and to push for differentiated targets on emissions, recognizing that Canada's northern climate and resource-based industries make it more difficult to achieve emissions reductions (Alberts, 1997c). The BCNI was highly critical of the Canadian delegation's commitment to a 6% reduction in GHG emissions at Kyoto. It expressed "surprise, disappointment and dismay" and postulated that this "dangerous" position "[was] unrealistic and void of any meaningful economic analysis" and " failed to develop understanding and support for the sacrifices that would be required on the part of all Canadians to meet the agreed targets"(Business Council on National Issues, 1997).

The Canadian Chamber of Commerce suggested that the federal government's actions to implement Kyoto should be guided by several principles, "the government should not prescribe the solutions to GHG emission issues" but should work through voluntary, market based-incentives, it "should maintain existing tax policies for fossil fuel energy sources" and it should "not ratify the Kyoto Protocol until our major trading partner, the United States, has agreed to do so" (Canadian Chamber of Commerce, 1998).

There were also some industry associations who saw Kyoto as an opportunity for business. The Canadian Electricity Association, for example saw that the Kyoto Protocol could provide significant opportunities for the electricity business, which generally does not produce GHG emissions to the extent that fossil fuel based industries do. Indeed, companies like TransAlta, one of the first to embrace the federal government's VCR, were already well poised to take advantage of the Canadian government's endorsement of the Protocol's flexibility mechanisms. Although their production has increased in the last five years, TransAlta has been very successful in reducing GHG emissions to 1990 levels (TransAlta, 1998).

3.5d Non-governmental Organizations

While there were only three environmental groups active in the early INC negotiations (the Sierra Club of Canada and the Friends of the Earth, which held seats on the Canadian delegation, and the more peripheral Greenpeace), at the time of the Kyoto negotiations, interest from the environmental community had exploded. In addition to including the more high profile Sierra Club, the Canadian delegation at Kyoto now included the Pembina Institute, the West Coast Environmental Law Association and the Centre for Indigenous Environmental Resources. Other environmental groups like the David Suzuki Foundation, the Canadian Environmental Law Association, Pollution Probe and a host of smaller, more localized associations followed the early lead of Greenpeace, and did most of their lobbying in the international arena through the Climate Action Network (CAN). While CAN is a

worldwide umbrella organization of NGOs established to lobby the climate negotiators, especially through the publication of the *ECO* newsletter, the Canadian contingent was a loose affiliation of both national and local environmental organizations.

The Sierra Club's 1996 Rio Report Card awarded the federal government a failing grade on climate change efforts. It denounced Natural Resources Canada as the federal department that had "contribut[ed] more to the problems than the solutions" of climate change and charged that it was "leading the obstructionist charge at Cabinet". The report also suggested that the Prime Minister had shown no leadership on the climate change issue. The following year, in the lead up to the Kyoto conference, the environmental community opposed the Canadian delegation's position that it would seek "maximum flexibility" in undertaking commitments at Kyoto. The Sierra Club charged that the flexibility mechanisms of the Protocol provided loopholes that undermined the treaty by allowing parties to claim credit for reducing emissions abroad before tackling domestic emissions. For example, one of the key concerns of the Sierra Club was that the Protocol may assign credit to projects that would have occurred in the absence of the Clean Development Mechanism and that this credit would allow Canada to avoid any significant reductions at home (Rolfe, 1998). The Sierra Club also took issue with the "net approach", a political interpretation of the Convention supported by Canada, that would allow parties to the Protocol to deduct any increase in carbon sequestered from their sinks from their GHG emissions. The Sierra Club, and CAN as a whole, citing the difficulties of

monitoring and accounting for carbon sequestration, did not support such an approach (Sierra Club, 1997).

In the lead up to the Kyoto Protocol, the environmental community, grew exceedingly concerned with the influence that the Alberta government and the fossil fuel industry was having on the position the federal government was taking. Robert Hornung of the Pembina Institute claimed on one occasion that a recent speech by the Prime Minister regarding the position the Canadian government would seek at the Kyoto negotiations" sounded like it could have been ripped from a CAPP newspaper advertisement" and that "[the] speech…doesn't say what Canada is going to do, but is already starting to take options [such as a carbon tax] off the table" (Alberts, 1997c). Louise Comeau, of the Sierra Club, was more blunt, saying "Natural Resources defends to the death the interests of industry, in my view, at the expense of the country, and certainly at the expense of the environment" (Alberts, 1997b).

Unlike the provinces, the environmental community strongly supported the reductions that the Canadian delegation accepted at Kyoto. While they congratulated the Canadian government for making this positive first step for the global environment, they pointed out that "there was never any doubt that the Kyoto negotiations would fail to produce an agreement that would be adequate from an environmental perspective" and that the protocol could prove "more illusion than reality" (Corbett *et al.*, 1997).

One issue that has not received much attention in the climate debate is the role of Aboriginal interests. Although the Canadian delegation to Kyoto had one seat reserved for Aboriginal interests, these groups have been marginalized in the

domestic climate debate. At the international level, Canadian Aboriginal concerns were first noted through the presentation of a video documentary co-produced by the Inuit of Sachs Harbour and the Winnipeg-based International Institute for Sustainable Development that examined the impacts of climate change on the northern community. This occurred after the Kyoto conference at The Hague meeting in 2000. Prior to the Kyoto conference, there had been no domestic consultation with Aboriginal peoples on the issue of climate change. Even the later National Climate Change Process launched in 1998 to implement the Kyoto commitments ignored the Inuit, while not one of the 16 options tables under the process deals with Aboriginal concerns (Watt-Cloutier, 2002). The Inuit Circumpolar Conference has called repeatedly for partnerships with the federal government in addressing climate change, but so far these partnerships have not materialized. Even the recent Whitehorse Circumpolar Climate Change Summit, the first major northern conference dealing with policy responses to climate change for northern Canada, produced a declaration that failed to mention Aboriginal people (Fenge, 2001). This neglect to engage with northern Aboriginal people is a significant oversight on the part of the federal government, since the Arctic region is likely to bear a disproportionate amount of the impacts of climate change, while contributing a miniscule amount of GHG emissions.

3.6 Consultative Processes

The only consultative process that appeared between the signing of the 1992 Convention and the negotiating of the 1997 Kyoto Protocol was ad-hoc and short-

lived. While there was no formal consultative process to allow stakeholders to have input into the position the federal government was adopting at the 1997 Kyoto meeting, any discussions that did occur focused primarily on what needed to be done to ensure the domestic implementation of Canada's Convention commitments (to "aim" to stabilize emissions at 1990 levels). While the new Liberal government fell behind on its early climate commitments, and while the debate over voluntary versus regulatory efforts raged, the only consultative process during this period was the 1994 Climate Change Task Group.

The Task Group, which resulted from an 18 month long national consultation process, was formed from the ashes of the earlier consultation efforts, the CCCAC and the PTAC, (recall that the CCCAC was the process from which the non-governmental organizations opted out). Since the focus of the climate debate at this time rested squarely on how the climate agreement would affect the economic competitiveness of the country, the goal of any consultative effort appeared to be how to meet Canada's earlier commitments, and was not one focused on formulating a federal position within the international negotiations. Indeed, as Chrétien's early lack of engagement with the climate file and the consequent open warfare within the federal cabinet indicate, there appeared to be little effort to involve stakeholders in any formal process. Instead, the Climate Change Task Group appears to be a reactionary effort to demonstrate that some effort was being made to address the issue. While the representation from environmentalists was much greater in the Task Group than it had been in the CCCAC, many of the 88 produced policy recommendations were rejected due to the vocal opposition from the fossil fuel

industry, the province of Alberta and the support these received from federal departments like NRCan, Finance and Industry. Ken Ogilvie, executive director of Pollution Probe, and a former government official, maintains that the Climate Change Task Group's recommendations were really a wish list, not real policy options that were being discussed at a policy level by governmental officials. And while the Climate Change Task Group was heavily weighted with environmental interests, the one third of recommendations picked up by government, were the ones least likely to raise any controversy. Matthew Bramley of the Pembina Institute maintains, "while it was an elaborate, multi-stakeholder exercise, the government demonstrated no political will to implement the recommendations without broad based support" (Bramley, 2002: pers. comm.). As a result, while the process generated a considerable amount of information, the federal government had made no promises to be bound by any of these recommendations. Instead, it went blindly into the 1997 Kyoto meeting and emerged with a position that made the provinces angry (since it committed Canada to reductions of GHGs greater than what had been agreed to at the joint minister's meeting) and left industry and environmentalists alike wondering how Canada would ever meet its new Kyoto target of 6%, when it still had no plan to meet its earlier 1992 commitment.

The differences between these two periods of consultative processes could not be more striking. While the Mulroney government had effectively offered a formal process (no matter how flawed it appeared to environmentalists), the Chrétien government's inability to stem the growing rift within the federal cabinet and the chaos that ensued, meant that no effort was directed at designing any formal

mechanisms to allow stakeholders to inform the federal position. Instead, in establishing the ad hoc and short-lived consultative process of the Climate Change Task Group, it appeared that the federal government was merely trying to maintain an appearance of consultation. A process designed to be of more symbolism than substance, it quickly crumbled under the demands of an increasingly powerful business lobby that was no longer silent on the climate issue and under pressure from the federal departments from which the former found support. The environmental lobby, which had earlier demanded attention for the issues surrounding the domestic implementation of the 1992 Convention, found itself outmatched by a fossil fuel industry and its government supporters who had no tolerance for regulatory efforts, and who championed voluntary efforts above all else.

3.7 Conclusion

It would be an understatement of mammoth proportions to suggest that the Liberal government's record on climate change has not lived up to its 1993 Red Book commitments. Instead, the Liberal government has, at different periods, ignored the issue altogether during the early years of its tenure, and caved to industry pressure in designing domestic initiatives to reduce GHG emissions. The 1994-1995 period, which witnessed heated debate among federal ministers over the NAPCC and its failed VCR, and the appearance of Canada within the JUSCANZ alliance at the CoP 1 meeting in Berlin suggests that the country had arrived at a turning point in its reputation for international, environmental leadership on the issue of climate change.

Canada's calls for the inclusion of developing countries within any agreement to reduce GHG emissions (countries that have produced few of the responsible emissions), and its insistence that such countries ought not to be granted a supposed unfair trade advantage, is evidence that Canada had begun a downhill slide from its earlier reputation for environmental leadership. This reluctance to continue its former strong and equitable position on the issue of climate change has clearly impacted the country's reputation for leadership on climate change at the international level. In addition, the federal government's delay in putting forward a position for Kyoto, and Prime Minister Chrétien's reactive behavior in choosing a target to outclass the American position, suggests there was little sustained or considered thought in the Prime Minister's Office regarding climate policy in the lead up to Kyoto. The growing interest, and mobilization of the business lobby cannot be understated in relation to the above developments. While relatively quiet throughout the earlier INC process, the business community was fully engaged with the issue at the time of Kyoto. In fact, as the analysis in this chapter suggests, the influence of the business lobby was felt domestically in the 1994-1995 period when the federal government put forward the NAPCC, and it transcended the international processes during the Berlin CoP 1 meetings in 1995. This fact made it increasingly difficult for Prime Minister Chrétien's government to act as autonomously as Mulroney's government had. The Mulroney government, through its production of the 1990 Green Plan and its incorporated strategy on climate change, managed to respond to the demands of the environmental lobby at the INC negotiations in a reasoned and explicit manner. In contrast, Prime Minister Chrétien's reactionary position during the Kyoto

negotiations suggests that his federal government had made little effort to design such a reasoned position, and that it was engaging primarily in political one-upsmanship not rational policy-making.

The earlier decision of the environmental community to remove themselves from the consultative process of the CCCAC likely allowed, although unwittingly on their part, the business community to assume an upper hand in influencing the federal government's behavior on the international scene throughout the Kyoto period. This growing, and substantial influence of the business lobby, would become even more apparent in the aftermath of the Kyoto Protocol.

Chapter 4: Canada in the Post-Kyoto Period

While Canada had shown leadership in the early stages of the Convention period, and while the negotiations of the Kyoto Protocol witnessed new lows in Canada's international reputation, the federal government's actions throughout the post-Kyoto period only served to emphasize, to an even greater degree, how far Canada had come from upholding its image as a green internationalist. While other countries such as the 15 member states of the EU and Japan began to ratify the Kyoto Protocol in their respective legislatures, the Canadian government continued to call for more debate on the issue. The federal government has recently launched yet another round of consultation efforts aimed at ascertaining provincial government support for Kyoto, and for soliciting more input from the various stakeholders on how the domestic implementation of Kyoto might proceed. While the federal government has only recently announced its intention to ratify the Kyoto Protocol by the end of 2002, there remain many doubts as to whether ratification will result in Canada being able to meet its Kyoto commitments in any meaningful way (or in an effective strategy that will counter rising GHG emissions in Canada).

This final chapter traces the events of the post-Kyoto period, the period in which later CoP meetings finalized the operational aspects of the Protocol and in which the Parties would begin the process of ratification. It will demonstrate that throughout these later international meetings, the federal government was unwilling, or maybe unable, to reverse its earlier recalcitrant Kyoto stance. Of particular interest, is the behaviour of the federal government in the most recent rounds of

international meetings, the Bonn meeting and Marrakech meetings of 2001. Canada disgraced itself by pushing for maximum concessions in terms of carbon sinks, citing its large forested land base. It backpedaled on its earlier promise to drop the issue of credit for the export of nuclear technology. Even after the Marrakech Accord was negotiated, in which Canada achieved concessions far and above what observers thought likely (mainly due to the need to keep Russia engaged in the process), Canada continued to push for additional credit for so-called "clean-energy" exports such as natural gas and hydro-electricity.

This last chapter also highlights some of the more recent domestic initiatives that Canada has undertaken to meet its Kyoto target, although only time will tell whether these will be successful in putting the country on the appropriate path to meet its target under the Kyoto Protocol. In this final chapter, an overview of the most recent strategies of the various interest groups is provided in order to offer some insight into the ability the interest groups had in influencing the later Canadian negotiating positions. Additionally, the consultative processes of this period are examined. This time, the federal government established a process more formal than that of the Climate Change Task Group but we will see that the process was one of information sharing only, not one in which interest groups were able to have much input into the federal position. Some commentary is given about the nature of consultative processes with respect to the case of climate change, and some questions regarding their effectiveness are raised. Lastly, the chapter concludes with some comments on the behaviour of the federal government throughout the international climate negotiations and the impact it has had on Canada's international reputation.

4.1 Post-Kyoto Negotiations

After the Kyoto conference, in which the Canadian government accepted a commitment to reduce GHG emissions by 6% below 1990 levels by the 2008-2012 target date, successive international meetings became entangled in controversial issues of carbon sinks and in the details of the compliance regime, including what sanctions a country would face for non-compliance with its Kyoto target. The 1998 Buenos Aires meeting, CoP 4, provoked substantial conflict over the details of the flexibility mechanisms. While the EU strongly argued in favor of domestic limits on emissions, the JUSSCANNZ group (the group had expanded at the CoP 3 Kyoto conference to include Switzerland and Norway) opposed such measures, arguing instead for no limits on the amount of emissions trading a country could pursue (thereby allowing for the possibility of a country to meet its Kyoto target completely through the use of the flexibility mechanisms detailed earlier). The fact that Canada and the rest of the JUSSCANNZ group steadfastly opposed a proposal by the European Union and the developing countries to institute a cap on the proportion of emissions reductions a country could earn under the Kyoto mechanisms, left critics wondering whether these countries would focus on their rising domestic emissions at all (Kellett and Carpenter, 1999). Canada remained committed to this position of no limits on the use of the flexibility mechanisms throughout the CoP 6 meeting in The Hague in 2000, as the JUSSCANNZ group expanded once again to include Russia (hence adopting the new name of the Umbrella group) although their negotiating

position remained very similar to that of the old JUSCANZ and JUSSCANNZ groups which were concerned primarily with the exclusion of developing countries from the Protocol. Now allied with an even stronger negotiating bloc, Canada continued to reiterate its position that developing countries be included in the Protocol. In addition, the Canadian negotiators called for a broad definition of carbon sinks and for flexible use of carbon credits. The environmental community reiterated its earlier claims that the Canadian position was "outrageous" and that loopholes such as carbon sinks had blinded policymakers to the business of cutting pollution levels at their domestic sources (Wallace, 2000).

One of the most telling examples of how far the Canadian leadership had deteriorated was the position Canada took on nuclear energy. At The Hague conference, the delegation sought credit for investing in clean-energy projects in developing countries, specifically for credit for the export of nuclear power plants as an alternative to coal and oil-fired generating stations, an "alternative" energy source that was not supported by many developing countries. This position was quickly denounced by no less than 13 Canadian environmental organizations, including those who occupied seats on the Canadian delegation, who claimed that

> "nuclear power will simply substitute other environmental problems for emissions of greenhouse gases…nuclear power is not a form of sustainable development, as mandated by the Kyoto Protocol…[and that] nuclear power will only tighten the chains of debt, dependency and environmental degradation in the developing world" (Canadian Environmental Law Association, 2000).

Interestingly, while Canada had capitulated on the issue of nuclear power at The Hague conference under fierce opposition from the EU and environmentalists at

home, this did not stop the federal government from reiterating the same proposal at the next meeting in Bonn. This reopening of a politically sensitive, and currently, environmentally questionable energy source, suggests that some members of the Canadian delegation had questionable ideas about the role of the Clean Development Mechanism, and a limited understanding of the concept of sustainable development.

While The Hague meeting witnessed little agreement on these contentious issues, these same issues remained on the table for the following CoP meeting in Bonn, in late July of 2001. The Bonn meeting produced a number of agreements, although many of these were the result of deep compromises on the part of the EU to the Umbrella group countries. Canada, Japan and Russia, which had insisted on maximum credit for carbon sequestration in carbon sinks for forestry and agricultural projects, succeeded in securing generous concessions in terms of carbon sinks, as the EU was forced to capitulate to the demands of Russia, whose support was especially crucial given the withdrawal of the US from the Protocol. While the EU admonished all parties to demonstrate willingness to compromise, it stressed that the final agreement had to be one that upheld the environmental integrity of the Protocol and an agreement that developing countries found equitable (Global Change Strategies International, 2001). In what might have been a pointed barb at the Canadian position, the Samoan representative of the Alliance of Small Island States in the delegation's opening statements to the conference, expressed frustration that the environmental integrity of the Protocol was being undermined by the very nations that had played a leading role in its creation and singled out the issue of nuclear power as evidence (see Global Change Strategies International, 2001). Unfazed, the

Canadian Deputy Minister of Environment Canada, Alan Nymark, in his opening remarks, reiterated that Canada called upon all Parties to "remove barriers to action" and specified that Canada wanted, in addition to credit for carbon sinks, recognition of clean energy exports and *all* technologies that reduced GHG emissions (Global Change Strategies International, 2001). By the end of the meeting, Canada had secured concessions in the order of 12MtC/year (the eligible credit of carbon sequestration in the country's forest and agricultural soils), a generous concession considering the uncertainty still surrounding the science of carbon sequestration (see Schlesinger and Lichter, 2001 for a discussion of the inability of forest soils to sequester carbon over the long-term). Furthermore, the Bonn Agreement included no fixed cap on the extent to which the flexibility mechanisms can be used. This raises the possibility that Canada may be able to meet the bulk of its Kyoto target through GHG emissions reductions in other countries, and may not even be required to reduce GHG gases within its own national borders.

With the principal issues resolved in Bonn, the following CoP meeting in Marrakech in November of 2001, focused on the rulebook of the Kyoto Protocol. It was after this meeting that Parties would begin the process of ratification of the Protocol in their domestic legislative bodies. Despite assurances that the terms agreed to in Bonn would not be reopened, Russia succeeded in almost doubling its allowance for carbon sinks credit from 17.6 Mt/C per year to 33 Mt/C per year. While the EU worried that Russia's demands would undermine the integrity of the Protocol, they had little choice but to begrudgingly agree to the terms, as the prospect of losing Kyoto loomed.

It was the issue of compliance that was the major concern of the Marrakech meeting. While it was Japan that proved to be most reticent about penalties for non-compliance, the earlier Bonn Agreement had set consequences for non-compliance. These penalties ensure that a country in non-compliance must make up its shortfall in its emissions reduction target, in addition to a 30% increase in the next target. They also include a suspension from trading emissions credit in any emissions trading market system. While the negotiators are to be commended for coming to some agreement on what the penalties for non-compliance should be, the fact that the meeting did not succeed in making such penalties legally binding is cause for concern. The Canadian delegation demonstrated little in terms of pushing for legally binding penalties. Indeed DFAIT's chief negotiator suggested that it did not matter whether sanctions for countries that fail to comply with the Kyoto Protocol were legally binding or not, and asked reporters "what are you going to do if a party refuses to apply these consequences? Put the country in jail?" (Pomeroy, 2001). Environmental groups, which maintain that penalties for non-compliance are essential to strengthen the Protocol, did not share this sentiment.

Failure to reach a consensus in the Bonn and Marrakech meetings would have doomed the Kyoto Protocol. It was generally conceded that a failure to get an agreement from the parties to the Protocol would have lent credence to the fact that the United States administration was right in withdrawing from the Protocol, something the EU was not willing to accept. Without major concessions to Russia (and therefore also to the rest of the Umbrella group) it was quite possible, indeed likely, that Kyoto would never become international law.

4.2 Domestic Initiatives

Domestically, after the Kyoto conference it was soon obvious that the NAPCC's voluntary emphasis had proven largely ineffectual in helping Canada meet its international commitments, and the federal government realized it needed to do something new. In 1998, the federal government launched yet another domestic initiative to address the climate change issue. This time it was called the National Climate Change Process (NCCP) and it was established to examine both the costs and benefits of implementing the Kyoto Protocol. Encompassing 16 "issue tables" that examined issues related to climate change in various sectors, ranging from agriculture, to forestry, to industry, to transportation and municipalities, the NCCP has been a mammoth consultative exercise that has included 450 stakeholders from government, industry, academia and the NGO sector. Overseeing the National Climate Change Process, is the Climate Change Secretariat, a body comprised of federal and provincial bureaucrats, which is responsible for developing Canada's National Implementation Strategy and annual business plans. The NCCP is focused primarily on domestic approaches to reduce GHG emissions. It does not provide any forum for informing the international negotiating position, other than raising issues that are of particular concern within the different sectors. It is however, the first recognizable attempt by the current Liberal government to hold some formal public consultation, especially given the complete failure of the 1995 Climate Change Task Group.

Also in 1998, the federal government launched the Climate Change Action Fund, a $150 million initiative to be allocated over 3 years to support developing an implementation strategy to meet Kyoto's commitment. And again in October of 2000, the federal government unleashed its largest effort yet to deal with climate change, a full eight years after commitments made at Rio in 1992. If effective, Action Plan 2000, a $500 million effort to reduce greenhouse gases will take Canada only one third of the way to meeting its Kyoto target of 6%. The federal government estimates that this program will cut GHG emissions by 65 megatons per year by 2008-2012. The plan involves efforts by the federal government to buy 20% of federal electricity from green sources such as wind and solar, a 3 fold increase in ethanol production and financial incentives to stimulate the renewable energies sectors.

Also in October of the same year, the federal government sought approval from the provinces at the Joint Ministers meeting in Quebec City for the National Implementation Strategy on Climate Change and the First National Climate Change Business Plan. While the government trumpeted the release of the business plan as "a coordinated Canadian response to climate change with a focus on reducing national GHG emissions and developing strategies to adapt to a changing environment" and stated that it "reflects a fundamental agreement among federal, provincial, and territorial governments about the need to act now and to continue working collectively", Ontario refused to agree to the plan (NCCP, 2001). At the present time, the federal government continues to meet with further opposition from the provinces,

in particular from the province of Alberta, although several others have been slow in stating their support for Kyoto.

Whether these more recent domestic initiatives like the NCCP will be successful in reducing domestic emissions remains to be seen. If the federal government's behavior in international circles is any indication, then the NCCP may prove to be nothing more than another public consultation effort, another "action plan" that evades the underlying issue of decreasing domestic emissions. The NCCP, while quite rightly focusing on identifying ways in which different sectors of the economy can adapt to the challenges of climate change, provides no mechanism for interest groups to voice concerns with the commitments made by the negotiating team at the international meetings, nor does it ensure that Canada will attempt to meet its Kyoto commitments to reduce GHG emissions domestically. Instead consultation on informing the federal negotiating positions has occurred through an offshoot of the NCCP, the International Consultative Committee on Climate Change (see section 4.4).

4.3 More Actors

4.3a Government Officials

A few positive developments in the post-Kyoto period should be noted. First, this period witnessed a more sustained interest on the part of the Prime Minister. Ever since the disastrous showing and knee-jerk response of the Canadian

government in formulating the 1997 Kyoto position, Prime Minister Chrétien has remained more closely engaged with the climate change file. Secondly, there has been only one Environment Minister, David Anderson, who has managed to remain in the portfolio for a lengthy period. At the same time, the behavior of the federal government at both the Bonn and Marrakech meetings suggests that the more powerful departments of Natural Resources, Industry and Finance are still exerting strong pressure within the federal government. While Minister Anderson has stated that Canada remains "committed to the Kyoto Protocol…[and is] committed to the process we have been pursuing since Rio" he has also noted that Canada is clearly cognizant of the fact that it is the largest single supplier of energy to the United States and that "it is critical that the United States be part of the continuing negotiations [because] the rest of us cannot fix the global change problem without them" (Anderson, 2001).

4.3b Industry

The post-Kyoto period has witnessed more firmly entrenched divisions within the industry lobby. While the federal government is just now discussing the economic costs and opportunities of implementing the Kyoto Protocol, some industry groups continue to focus on the economic evils that Kyoto may entail. More regressive industry associations such as the Canadian Chamber of Commerce, the Canadian Association of Petroleum Producers and the Canadian Council of Chief Executives (formerly the Business Council on National Issues) continue to demand

that the federal government not ratify the Kyoto Protocol in the absence of US ratification and claim that Kyoto could cost the Canadian economy up to $40 billion in lost GDP (Canadian Chamber of Commerce, 1998). While these groups have generally relinquished attempts to discredit the scientific validity of climate change, their present efforts hinge on instilling fear in the Canadian public that the Kyoto Protocol will damage the Canadian economy. The Canadian Manufacturers and Exporters have claimed that ratifying Kyoto could result in the loss of some 450,000 jobs (CME, 2002). Such estimates are about 4 times the current federal government's estimates, and take no account of the economic and environmental costs of not addressing climate change. In addition, many of these industry groups continue to engage in delay tactics such as calls for more consultation with industry.

At the other end of the industry lobby are businesses that support the Kyoto Protocol in its current form. Since April 2002, some Canadian corporations have joined an international business association called Emission-55, a group of major corporations which has accepted the limitations of a "carbon constrained" world and who hope to capitalize on the new technologies that the Kyoto Protocol might encourage. Including corporations like Dupont Canada, British Petroleum, and Iogen, the E-55 supports ratification of the Kyoto Protocol and argues that "Kyoto allows for the 'made-in-Canada' solution being sought by so many" (Mang, 2002). In addition to these larger players, Kyoto supporters from the business camp include members of the renewable energy industry, such as Calgary's VisionQuest, a wind power firm.

4.3c Scientists

While the scientific community had been guarded in their initial efforts to suggest that it was anthropogenic influences that were causing the majority of climate change, many in the scientific community have been dismayed at the excruciatingly slow progress on the climate change file in Canada, and in the federal government's recalcitrant stance in the international negotiations. The majority of the world's credible scientists have long rejected the idea that climate change is a natural phenomenon. Canadian scientist and climatologist Dr. Andrew Weaver of the of the University of Victoria has acknowledged:

> "Those of us who work in the area of climate science are continually befuddled as to what the so-called debate on global warming is all about. There is really no scientific debate on the issue, only an artificial debate perpetuated by the media and certain corporate interests" (Weaver, 2001).

While there remain a small number of climate change "skeptics", these have been largely dismissed by mainstream scientists and have had their work rejected by the IPCC. Environment Canada's Dr. Henry Hengeveld, a Senior Science Advisor on climate change maintains:

> "The small groups of dissident scientists are primarily based in the USA, although there are also a few in Australia, Canada, Germany, and the UK. Several of them are atmospheric scientists or climatologists. Of the rest, most of them have backgrounds in nuclear physics, oceanography and earth sciences, and cannot be considered experts in atmospheric sciences. With a few exceptions, most of their critiques have not been published in peer-reviewed literature. Some also receive considerable funding from fossil fuel companies. The primary focus of their arguments is that the observed changes in climate do not agree adequately with model projections. Therefore, they maintain, the evidence for discernible human influence on the climate system does not yet exist, and the models exaggerate the effects of humans on the climate. Many of their arguments are out of context with the larger body of

related science and are based on misinterpretation of selective information" (Bramley, 2000: sec.1.1:2).

4.3d Non-governmental Organizations

Environmentalists continued to press Canada on positions taken at the subsequent CoP meetings. At the CoP 6 conference in The Hague, they were highly critical of Canada's attempt to negotiate credit for the export of nuclear technology (a so-called "clean" energy source). Two Canadian environmental activists, quick to denounce their country's position, actually burned their passports in a show of protest. At later meetings in Marrakech, a spokesperson for Greenpeace accused the federal government of "completely gutting" the Bonn Agreement, which set out sanctions for non-compliance with the Protocol, and maintained that "Canada [was] here [in Marrakech] with Russia, Japan and Australia wrecking the Bonn Agreement" (Pomeroy, 2001).

The CoP 6 meeting in Bonn in July of 2001 set out the sanctions for non-compliance. These penalties stipulate that non-compliers must make up any shortfall in emissions reductions at 1.3 times the deficit and are banned from selling the emissions on any trading market. Canada came under strong criticism for advocating that these sanctions need not be legally binding. Paul Fauteux, the chief negotiator for DFAIT on the climate change file, suggested that other members of the JUSSCANNZ group were not in favour of legally binding sanctions, and that Russia's support for the Protocol was a necessity considering the US withdrawal (Pomeroy, 2001). Still, the position did little to assuage environmentalists' concerns that Canada remained truly committed to the earlier Bonn Agreement.

Recognizing that earlier efforts to pressure the federal government to reduce their emissions at home rather than to seek them abroad, was proving unsuccessful, environmental groups turned their efforts in the post-Kyoto era to encouraging Canada to ratify the Protocol, even in its weakened form. At the height of the current debate on whether the federal government would ratify Kyoto or not, the David Suzuki Foundation took out a full page add in the Globe and Mail that read "How hot does it have to get before they ratify Kyoto?" and denounced PM Chrétien's stalling on the ratification and his new quest to get credit from the European Union for natural gas exports (Globe and Mail, 2002).

4.4 Another Approach to Consultation

After negotiating the Kyoto Protocol, the federal government continued to reiterate that it would not be ratified before additional consultation with the provinces and other stakeholders was undertaken. And after tabling four options to meet the Kyoto target in April of 2002, the federal government launched a series of stakeholder workshops to gather responses to these options. While this consultation process is focused squarely on domestic implementation of the Kyoto target, the federal government has also created a spin-off process aimed at informing the federal position in international negotiations. This new process is called the International Climate Change Consultative Committee, or I4C. Constituted in time for Cop 5 meeting in Bonn in late 1999, the I4C is a national committee of government

officials, environmental NGOs, business associations and academics who have helped develop Canada's negotiating positions in the later rounds of the international climate negotiations. It was active during the early part of CoP 5, and throughout CoP 6 and 7. Comprised of between 40 and 80 members, the I4C meets sporadically (usually a few weeks before a CoP meeting) and provides technical and policy advice on the government's negotiating positions prior to Cabinet deliberations on strategy.

At first glance the I4C would appear to be some sort of continuation of the earlier 1990-1991 CCCAC, since it was more formalized than the ad hoc Climate Change Task Group of the 1995 period. Yet although it may have been a less ad hoc process, it also did little to inform the federal position. Several participants interviewed for this study maintained that the I4C did not actually allow stakeholders to have much input into the later negotiating positions of the post-Kyoto period. Matthew Bramley of the Pembina Institute maintains "while the I4C has been good for staying informed about what is happening and it has value in getting good information, it is a fiction that the I4C is a process that allows stakeholder input into the Canadian position". He goes on to say "there is a danger in spending too much time in consultative processes, [and] there is a sense that government is wasting our time. Frankly, I don't participate with much hope." (Bramley, pers. comm., 2002). Stephen Guilbeault of Greenpeace, claims that the I4C was more about "the federal government telling us what they were going to do", not a process in which their input was asked for (Guilbeault, pers. comm., 2001). Ken Ogilvie, the executive director of Pollution Probe, echoes these same sentiments. "I've stopped attending the I4C meetings. Once Pollution Probe's report on transportation is done, we are

withdrawing from this political process and looking for solutions. We're working cooperatively with NGOs, industry and municipalities." (Ogilvie, pers. comm., 2002).

In reflection on the changing nature of the consultative processes over the course of the climate negotiations, Ogilvie further suggests

> "Climate change is a large scale phenomenon. Yet it has been made into a single issue by the consultative processes. This grandiose enterprise of huge multi-stakeholder processes [here he is referring to the larger NCCP process with the 16 issue tables and the I4C] has stalled a whole lot of other issues like carbon management and reorienting our transportation sector policies. The whole multi-stakeholder process could have been scrapped if we had had more focused discussions on specific issues instead. The whole process has been well-below sub-optimum." (Ogilvie, pers. comm., 2002)

The feeling that the I4C was useful only as an information sharing apparatus, and that it provided no meaningful way to influence the federal negotiating position was also shared by industry representatives. Gordon Lambert of Suncor Energies Inc., also a member of the I4C committee, suggests that over time there was less and less dialogue between the stakeholders and the government officials who comprised the I4C.

> "The government was engaged in information sharing. There were occasions when stakeholders expressed their concerns, but these were rare, and there was no expectation that the government actually had to respond or would respond to these" (Lambert, pers. comm., 2002)

In reflecting on the domestically focused NCCP, Lambert states:

> "The politicization of the issue tables became so bad that some tables had up to 50 people and most no less than 20. Some of these people were experts, but most just wanted to keep an eye on things. This made the process cumbersome and ineffective. As a participant in these multi-stakeholder processes I have no warm, fuzzy feelings. I think both environmental and industry groups would say that climate change is not a great example of successful or effective [consultation] processes" (Lambert, pers. comm., 2002).

So while the I4C process has been a more formal process than the 1995 Climate Change Task Group process of the pre-Kyoto period, and hence is more similar to the early CCCAC of the INC process of the early 1990s, it hardly appears that the I4C has been an improvement over earlier consultative processes in terms of allowing interest groups to have their concerns heard and responded to. In fact, the early CCCAC, while far from inclusive of all stakeholders, does appear to have been a much better, managed and contained process, simply because of the fewer number of participants involved. While the fact that the business lobby was relatively silent on the issue must be taken into account, the fewer number of players within the process may have had allowed the federal government to act in a more autonomous manner on the climate change file. The I4C in contrast, while attempting to be everything for everyone, has fallen well short of its goal to inform the federal negotiators. Instead, as Ogilvie has suggested, it has made it increasingly difficult to achieve much of a consensus on specific policy options for particular sectors that must be re-evaluated in light of a changing climate and Canada's international commitments.

4.5 Canada's Lost Legacy and Lessons Learned

Canada's leadership on climate change has clearly undergone a transformation. While its reputation as a "green internationalist" may have been rightly deserved in the early 1990's, by 1994-1995 domestic pressures from the

business lobby and the ability of this interest group to garner sympathy from several powerful federal department ministers, had sparked a downhill slide of the Canadian position that only plummeted further in 1997 and throughout the post-Kyoto era. Clearly, some of the reasons for this descent lie outside of Canada's domestic political sphere, for example, the increasing emphasis on international trade and competitiveness that pervades today's globalized international economy. Additionally, Canada has had little control over major events like the withdrawal of the United States from the Protocol. At the same time, the explanations for the shift described here, both those of political leadership and actor behaviour, and the consultative processes described here, offer an alternative version of the story than those provided within the existing literature.

The political leadership demonstrated by Prime Minister Brian Mulroney, his attendance at the 1988 Toronto conference and his efforts to raise the profile of the climate issue within previously economic forums such as the G-7 were significant factors in contributing to Canada's early reputation. Environment Minister Lucien Bouchard, a high profile and relatively powerful minister and his 1990 Green Plan, which committed Canada to GHG stabilization in the early years of the climate debate, stands in stark contrast to the ministers chosen to lead Environment Canada in the first term of the Liberal Mandate, especially the inexperienced Minister Christine Stewart. In later years, Prime Minister Chrétien's lack of interest on the issue and his knee-jerk reaction to setting a target for the Kyoto negotiations, and the resultant squabbling with Cabinet over the Kyoto target, made it increasingly difficult for the

federal government to provide a unified voice on the issue, the way the Mulroney government had.

The changing nature of interest group strategies and the manner in which these groups exerted pressure on federal officials also explains the shifting nature of the federal position. Environmentalists, attuned to the issue of climate change from early on in the game, effectively held the interest of key federal officials during the early INC process. A business lobby that was much slower to mobilize further assisted the lobbying of key federal officials by the environmental community. It remains unclear whether the environmentalists, had they remained engaged with the consultative process throughout the early years, would have been successful in influencing the positions that the government took at the CoP 1 meeting in Berlin and during the Kyoto Protocol negotiations. Their withdrawal from the process likely facilitated the ability of the business lobby to influence the positions the federal government took at the CoP conferences, although it is also likely that the more active business lobby was pressuring powerful departments like NRCan, Industry Canada and Finance. At this same time, the only consultative process in place was ad hoc and produced only a wish list of recommendations, most of which were never adopted by the federal government.

In any case, in assuming that the only value of the CCCAC was in finding ways to reduce domestic emissions, instead of in formulating an international position, environmentalists likely missed an opportunity to exert leverage on a federal government that was more sympathetic to their concerns, than its successor would be. Given the behaviour of the Chrétien federal government, the emphasis on voluntary

efforts to reduce GHG emissions, and the appearance of Canada within the JUSCANZ alliance in 1995, it appears that the business community was much more successful in articulating its demands to the federal government than environmentalists, although this pressure was likely much stronger through the direct lobbying this group did, especially on the department of NRCan than it was through the consultative process of the post-Kyoto period. The NAPCC and its emphasis on voluntary approaches to reducing GHGs, especially its cornerstone VCR program, is testament to the success of the business lobby pressure and the support it found in NRCan. There is a sense that this 1995 period and the lead up to the Kyoto negotiations, is effectively where Environment Canada lost control over the climate file in Canada. The fact that later delegations in the post-Kyoto era were led jointly by both Environment Canada and DFAIT, although it was DFAIT which assumed the leading role, seems to reinforce this loss of control (it is also worth noting that the recently appointed director of Environment Canada's Climate Change Bureau, the agency which directs the I4C and assists in the formulating of the federal government's negotiating positions, is an economist who formerly worked for DFAIT).

Some comments about the changing nature of the consultative mechanisms should also be made. While the post-Kyoto period saw the Chrétien government make a renewed commitment to identify ways to meet its international commitments when it launched its 1998 NCCP, its spin-off consultative effort to inform the international negotiating position, the I4C, was no better than its ad hoc precursor the 1995 Climate Change Task Group. In comparison with the consultative efforts of the

Mulroney government, specifically the CCCAC, it was worse. While the CCCAC lacked representation from environmentalists, its smaller number of stakeholders resulted in a more manageable process than did the later, mammoth stakeholder process of the NCCP and its international counterpart the I4C.

Several of the participants of these later processes, both industry and environmentalists, have expressed dismay with the multi-stakeholder approach adopted by the federal government for the three periods of climate change consultation. Frustration with the unwieldiness of the processes has been compounded by the general feeling that the federal government was not willing to listen to the concerns of stakeholders, especially those in the environmental community. While the major concerns of the business lobby appear to have been that the federal government had no concrete plan for emissions reductions, the explanation for a lack of concrete plan lies in the Cabinet chaos that exploded on the domestic scene prior to the Kyoto conference in 1997. It is however the nature of international negotiations that such agreements are written when consequences for individual member states are still uncertain. As a result, it is the responsibility of the signatories to the agreement to come up with a plan for domestic implementation. While the Chrétien government's inability to produce an action plan until the 11th hour is dismaying, it is hardly surprising especially given the lack support it had for the recommendations of the 1995 Task Group. At the same time, the ad hoc consultative process of the Climate Change Task Group demonstrated that the federal government had no real interest in having serious consultation on the issue, and that it felt that the

recommendations it produced would unleash a hue and cry from the business community, something it wanted to avoid.

Ultimately, it is important to ask whether the consultative processes examined here throughout three periods of climate change negotiations did much to influence the position of the federal government. In brief, the answer is likely not. While the CCCAC of the first period did not satisfy all stakeholders, it was, in comparison to the other the processes of the other two periods, more manageable (that in itself should act as a caution to the tendency of governments to embrace much larger, multi-stakeholder consultative processes such as the I4C). It was however likely not that influential in shaping the federal government's position throughout the post-Kyoto period. Instead, it is more likely that the political leadership of Mulroney and Bouchard, in conjunction with the watchful but silent approach of the business lobby, better explains the progressive position adopted by the Mulroney government.

The shift to a more regressive position that was first evident at the CoP 1 conference in Berlin resulted primarily from the increasing number of stakeholders that joined the debate, especially the appearance of a vocal and powerful business lobby and the influence it exerted on key ministers. The fact that the only consultative process at the time was ad hoc, and resulted in recommendations that were not taken seriously by the federal government, leads one to conclude that the consultation of this period was more symbolism than substance.

Yet, it is the last consultative process examined here that really suggests that consultative processes in the case of climate change have been little more than opportunities for the federal government to pursue an international position that has

been determined largely behind closed doors and with little influence from environmental organizations. While it is possible that the federal government adopted a strategy of information sharing because the consultative process became simply too unwieldy, in doing so it only increased the disillusionment environmentalists first felt in the early process. In a commentary that could apply to the case of climate change just as easily, Baetz and Tanguay (1998: 397) suggest

> "In a highly sensitive issue-area like environmental policy, it may simply be that the government is unable to resist the temptation to engage in manipulation or one-way information exchange, particularly when it finds itself caught between vocal, diametrically opposed, and powerful interests (either in terms of their media savvy or their money). Manipulation and informing are not always successful strategies, however; they may only worsen the situation and create additional, unexpected problems for the government [.]"

Reif (1998) has suggested that Canada is fully committed to norm setting and institution building processes in international environmental agreement processes. She maintains that in some areas Canada has taken a leading role (i.e. ozone layer and forests), however, for the most part Canada has not stood out as a leader. She also identifies several factors that have contributed to Canada's low leadership profile in international environmental agreements: sheer number of sectors involved, complexity of policy formation process, relatively low priority of environmental matters by the government, and increasing financial implications of further environmental regulation. The case of climate change appears to encompass a number of Reif's factors. Most applicable to the case of climate change is the complexity of the policy formation process. While the Canadian government enjoyed a level of international prestige during the early INC process, climate policy

formation throughout this period was relatively straightforward, especially since there were no targets to be met, only a general notion of "aiming" to stabilize GHG concentrations at 1990 levels. An increasing number of stakeholders and an emphasis on multi-stakeholder consultative processes have meant that the policy process in the case of climate change has simply become too large to be effective. The fact that many participants felt the government was not listening to their demands is not surprising, especially given the fact that the government used the process as little more than an information-sharing venue. The behaviour of the federal government throughout the later CoP meetings, and its efforts to undermine the environmental integrity of the Protocol, suggest that the business lobby was exerting its influence through direct dialogue with government officials rather than the later consultative process of the I4C. Ann Coxworth, president of the Saskatchewan Environmental Society and a member of the I4C, highlights this influence. She maintains:

> "While the Climate Action Network [here she is referring to the Canadian ENGOs of this larger NGO umbrella group] had set up some meetings with the Climate Change Secretariat, a group that doesn't make policy, we had only one meeting with [federal Environment Minister] David Anderson. This is nowhere near the number of private meetings industry has had with him. There has been mass lobbying by industry of Cabinet ministers" (Coxworth, pers. comm., 2002).

The policy autonomy enjoyed by the Mulroney government, has escaped the Chrétien government in large part due to this growing complexity. But policy autonomy has also escaped the Chrétien government because the prime minister himself has been slow to demonstrate any real political leadership on the issue. And because the consultative processes set forth by his government have not provided an adequate vehicle for addressing stakeholder concerns. As a result, these stakeholders

have likely channeled their influence through more direct lobbying of federal officials. In this case, the greater resources of the business lobby and its superior access to key political actors over those of the environmental community, have resulted in a governmental position on climate change that is more concerned with matters of economic competitiveness than those of environmental protection.

Conclusion

Since 1990 the federal government has launched a plethora of national climate change initiatives. Yet emissions continue to rise and current estimates suggest that Canada's GHG emissions will be 42% higher than the Kyoto target level by 2010. While the more recent Action Plan 2000 has considerably more financial clout than its earlier predecessors, and while Environment Minister David Anderson promises that it will take Canada a full one third of the way to our Kyoto target, there remains considerable doubt that Canada will meet its Kyoto obligations. While Prime Minister Chrétien has recently announced that Canada will ratify the Kyoto Protocol by the end of 2002 and become bound by its international law, he continues to demand credit for natural gas exports from the international community. While ratification by the federal government would be a welcome development, its relevance is open to question. It may, as some environmentalists suggest, allow Canada to regain some of its earlier "green" reputation on the international stage, and it may also as such groups like to argue, "set the country on the right path" away from fossil fuel dependence. But these calls from environmentalists may well be last-ditch efforts to save an international treaty which has been more than a decade in the making from becoming irrelevant, and for which they can claim a modicum of success for their tireless efforts. The fact remains that ratification of the Kyoto Protocol may be largely symbolic, an act for whom the majority of Canadians, who as recent polls suggest support ratification, can be comforted that the federal government is upholding its international environmental responsibility.

If the federal government does proceed with ratification, this is more likely to be a result of the recent divisions within the industry lobby and the number of major corporate interests who now support the Protocol in its weakened form. The federal government now has the support of several major industrial players. For these groups, Canada's concessions on maximum flexibility, and the country's ability to meet much of its Kyoto target through international emissions trading, may well represent opportunities for profit in the new "carbon-constrained" economy.

However, the major concessions granted to Canada in the last CoP conferences and the continued efforts of the federal government to weaken the Protocol have affected the environmental integrity of the Protocol. If Canada succeeds in meeting its Kyoto targets largely through the flexibility mechanisms of the agreement, then it will have fewer incentives to invest in alternative energy sources and to begin the long overdue process of reorienting the economy away from its enormous dependence on fossil fuels.

The analysis here also raises questions about who participates in consultative processes and the quality of this participation. While the frustration of the environmentalists is understandable, removing themselves from the consultative process amounted to a tantamount refusal to play the game because one does not like the rules. This refusal may have cost the environmental lobby the tenuous upper hand they had early in the negotiations. The mobilization of the business lobby, and the tremendous resources it commanded to influence federal ministers, allowed the business lobby to exert pressure on federal ministers, at the very same time the environmentalists turned away from the domestic processes and focused their efforts

on shaming Canada through international media exposure. Even the entrance of additional players at later points within the negotiations, including more environmental organizations, proved unable to break the enormous influence of the business lobby on the federal government's position.

The lessons to be drawn from the consultative processes of these three periods of climate change negotiations are several. First, if environmental organizations wish to be effective, they must not remove themselves from federal consultative processes when they dislike the rules of political engagement. The intent of the CCCAC was not to reduce domestic GHG emissions; it was to formulate an international negotiating position. The fact that no process existed at this time to begin the work of reducing GHG emissions domestically while frustrating for such groups, by no means excluded them from lobbying for a parallel process to achieve such objectives.

Second, the ability of the business lobby to garner such influence on the federal government in later periods while not in earlier ones, suggests that the state may have more autonomy to act in the public interest (if this is taken to be reducing GHG emissions) when there are fewer actors involved in consultative processes. This raises questions about how consultative processes should be designed. If, as Lindblom (1978) suggests, market systems effectively "imprison" policy making, and allow business interests to have a greater level of influence than other players, then consultative processes might be more effective at arriving at the "good" policy if they limit the number of players at the table, and ensure some equal level of resources for all players. To this end, the federal government might be better to limit large multi-stakeholder processes in environmental foreign policy-making and concentrate its

efforts on selecting informed "experts" on the issue. At the same time, it should also try to level the playing field within these smaller consultative processes, maybe by providing additional financial assistance for interest groups that do not typically enjoy access to federal officials through other avenues.

Thirdly, and more importantly, consultative processes should not be undertaken unless they clearly provide opportunities for interest groups to present their positions, and engage in a free flowing debate with governmental officials on both the fundamentals of the policy in question and the technicalities of its implementation. Unless there is some assurance given by governmental officials, and a possibility that the recommendations produced within consultative processes can be deliberated at the ministerial level, then the utility of these consultative processes in terms of influence and not merely as information generating processes, is debatable.

Alternatively, the federal government might limit consultative processes entirely. As Stairs (2000:38) maintains

> "ad hoc responses to passing political pressures may provide what seem to be comfortable solutions in the short term, especially if they can be dressed up in the empathetic language associated with the politics of "inclusion," but over the long term they can be insidiously corrosive of the democratic principle."

The limiting of consultation might succeed in reducing the influence of all interest groups, and allow the federal government to act more autonomously when formulating policy. Limiting participation, of course, raises many uncomfortable questions about the nature of the democratic process, but it must be noted that the processes examined in this study can hardly be called democratic, and have clearly not resulted in a climate change policy that is in the public interest.

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